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20 December 1984

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SWEDISH REPORTER FINDS RISING TIDE OF CARIBBEAN LIBERALISM

Stockholm DAGENS NYHETER in Swedish 6 Nov 84 p 19

[Commentary by Bengt Sjogren: "Liberal Revolt in the Caribbean"]

[Text] Ever since France and Great Britain fought over the East Caribbean, things have been confused out here. It was not for nothing that when we were talking about the U.S. invasion of Grenada that occurred on 27 October last year, James Mitchell, the liberal prime minister of formerly British St. Vincent, remarked ironically:

"The issue of sovereignty on these islands is a big joke."

But he prefers to call the U.S. action "intervention" and feels that it was necessary to prevent those behind the military coup 6 days earlier--when, among other things, Grenadian Prime Minister Maurice Bishop had been murdered--from "consolidating their position."

But otherwise, Mitchell does not approve of the arms buildup now being carried out by the United States all over the Caribbean. And least of all does he approve of the fact that a few years ago, his predecessor, Milton Cato, yelled for troops from Barbados when a revolt broke out on one of the small Grenadines--Union Island, which has 3,000 inhabitants and belongs to St. Vincent.

When I met Mitchell, I had already visited Union Island on my way up from Grenada by way of the Grenadines. My curiosity had also been piqued by a calypso entitled "Government Boots" that had been inspired in part by the events there. Barbadian Prime Minister Tom Adams is so furious over the song that he has banned it from radio and television on his island.

The singer--known as "The Mighty Gabby"--does not hesitate to go all out in challenging Adams' pride, the Barbadian defense force armed with U.S. assistance, by asking what it might be good for:

"Is it necessary to have so many soldiers in this little country? No, no, no, no! And to polish soldiers' boots with taxpayers' money? No, no, no, no!"

Since such criticism became exceptionally "controversial" after Tom Adams also played an active part in the invasion of Grenada, it was then that he decided to try to silence it.

But Gabby had written his song long before that. And concerning the prime minister's assistance within St. Vincent's borders, he sings:

"Was it necessary to recruit those soldiers... to shoot Vincentians? No, no, no, no!"

It was in 1979 that things blew up on Union Island--only a few months after Bishop and his people had installed their revolutionary government in Grenada.

On 27 October of that same year, St. Vincent had become an independent state at long last. And on 7 November, the rebellion broke out.

The brief press dispatches made it sound as though Grenada were assumed to be behind it--and as if Union Island were trying to fight its way free to become independent singlehandedly.

I willingly admit that I then believed the above, since people on St. Vincent's Grenadines have long felt that the authorities on the main island were seriously neglecting their development.

In the course of making a night of it in a rum shop on one of the other small islands--Canouan--in 1965, my friends had even raved about how I should stay and become their president. It made a good anecdote for the book I was writing.

But the Caribbean is tricky. After I reached Union Island from neighboring Carriacou Island, which is under Grenada's control, I found that all the rumors that had reached the outside world were ridiculous.

While refreshing waves splashed up to where I was sitting to the right of the mast, fishing skipper Festus Hutchinson took me across the tossing border for 15 East Caribbean dollars (1 East Caribbean dollar = 3 kronor).

On Union Island, we tied up at the pier in Clifton, where I had stayed a couple of times 19 years earlier. As I had done before, I stayed with the excellent Conrad Adams, who since my last visit had managed to put up a big supermarket and rebuild his primitive guest house into a completely comfortable tourist hotel.

But everything had certainly not changed for the better. On one side of the pier there was now a marina whose French owner had once tried to keep the island's "natives" from crossing his area.

Since the authorities stepped in, he has been trying instead to frighten the islanders by keeping ugly giant fish in a big pool on the beach with a warning sign: "Do not disturb the sharks."

Concerning the marina, well-informed people in Kingstown, St. Vincent's capital, say that it is an important transit port for cocaine and other abominations.

The owner is banned from entering the United States, where he was reportedly caught trafficking in drugs. But since certain authorities down here can be

bribed, such goods can be brought here from South America and then smuggled into Florida on yachts.

Marijuana is also produced locally, and the authorities reportedly overlook that as well because it brings in foreign exchange.

Things are worse than before for the island's honest fishermen. Their tackle is usable only in the shallow water, which they have almost fished out, and the result is that their exports to the populous islands beyond St. Vincent and to the United States have declined disastrously.

An American marine biologist named David Johnson, who works in the Peace Corps, is now trying to teach them to fish in deeper water, where the fish are still in normal supply, and to organize themselves into cooperatives so as to manage both fishing and exports rationally.

But pending arrival of the funds he is hoping for from U.S. AID, progress is slow, and my fishing friends are finding things tougher than they were in the 1960's.

They can hardly afford even the consolation of the poor in the rum shops, although most of the booze is smuggled in from French Martinique, where it is cheap.

In the early 1970's, when James Mitchell was prime minister for 2 years, the situation seemed to be growing brighter for the "Unionites," as the islanders call themselves.

Mitchell himself is from the Grenadine island called Bequia, and he is deeply interested in the development of those islands. Among other things, he saw to it that Union Island finally received electricity in 1974.

But in that year, as ill luck would have it, Mitchell's government fell and was replaced by one under Milton Cato, whose party is called "Labor" but can hardly be regarded as a labor party.

Cato, who is maliciously called "the Mighty Explainer," completely ignored the Grenadines, people say, and they point to the old and deteriorated roads as one example.

It is private businessmen such as Conrad Adams who have been almost solely responsible for the positive development that has actually taken place on--for example--Union Island.

It is true that this past summer saw the opening of a social service center that cost a full 1 million little East Caribbean dollars. But the islanders regard it simply as a "selective effort" to reduce the discontent that found expression in the 1979 revolt.

Up on St. Vincent, Prime Minister Cato got a bad case of the shakes when he awoke on the morning of 7 November that year to learn that the landing strip

and police station down on Union Island had been suddenly occupied by armed forces.

For their part, the police on the island had been so frightened that they ran away and hid.

Thinking that the revolution in Grenada had started to spread, Cato put in a telephone call immediately to Tom Adams in Barbados, from where 150 men were sent by air to stop the dangerous socialist revolt.

Superficially, that was indeed what it seemed to be.

Those who had revolted--48 young people led by a local Rastafarian named Lenuox "Bumper" Charles--had in fact gotten their weapons from neighboring Carriacou Island, where Grenada's government had outfitted a militia for defense against a possible attack by mercenaries.

But that government was not at all involved. "Bumper" had simply borrowed the weapons privately from buddies on Carriacou Island.

Nor were he and the others in sympathy with the Left at all. And they certainly were not seeking independence for Union Island.

Actually, they were ardent supporters of the liberal Mitchell and "only" wanted to protest the fact that 2 days earlier, he had lost the first general election in newly independent St. Vincent to the neglectful Cato.

Since the election meant that Cato was going to continue as prime minister, there was general despair, and "Bumper" decided to revolt--naturally without Mitchell's knowing about it.

On the same morning that "Bumper" struck, however, he asked my hotel host, Conrad Adams, who also is in the habit of voting for Mitchell, to go up to the main island and talk to the government.

Conrad said no, of course, explaining that if the young men had consulted him in time, he definitely would have advised them not to do what they did.

All the same, they spread the word that he was on their side.

The result was that after the troops had landed, an innocent man had been shot dead, and the 48 "guilty" parties had given up and been handcuffed, Conrad Adams was also taken into custody.

Cato's police even arrested Conrad's wife, and the two of them were kept in jail on St. Vincent for a full 29 days.

The thoughtless "Bumper" is still there today, having been sentenced to 8 years in the clink.

Everybody on little Union Island was in trouble. Cato's government proclaimed a state of emergency on the island, and it was not lifted for 6 months.

Naturally, Mitchell himself is especially indignant at the severity with which Cato, with the help of Tom Adams of Barbados--who also calls himself a "labor man"--crushed the insignificant attempt to revolt. He says that St. Vincent's police should have been able to handle it themselves. And many good citizens agree.

Their agreement was obvious when an election was held again last summer: Cato lost by a wide margin to the unquestionably more liberal Mitchell.

Hope for the future now prevails once again on Union, St. Vincent, and the Grenadines. And throughout the ministate of St. Vincent, where 50 percent of the population is still illiterate, the schools are to become tuition free.

Roads will be built, as will an international airport that Cato was not interested in. The drug traffic will be combated more effectively than before. And to the United States, which had sent weapons before, Mitchell says:

"No more guns here, please!"

Last winter he even warned the United States of the consequences of that super-power's backing of oppressive governments. He appealed instead for support for those in "the political center" who want to reform their countries.

With a man like him at the helm, St. Vincent seems to have a good chance of becoming a model for others in the almost incredibly confused Caribbean.

11798

CSO: 3650/43

BRIEFS

UK DEVELOPMENT AID--THE VALLEY, Mon., (Cana)--THE BRITISH Government has pledged \$9 million to development projects in Anguilla over the next two years, Government officials reported today. The funds will be spent on the construction of a new hospital, airport facilities, implementation of an education reform plan and an improvement project for the capital among other projects. The disclosure follows talks between a three-man Anguilla Government delegation led by Chief Minister Emile Gumbs and officials of the British Overseas Development Ministry. The local delegation which returned home yesterday also successfully appealed to Britain to restore grant-in-aid which supports recurrent expenditure in the island's budget. The Gumbs Administration considers that the suspension of the status by the previous regime of Ronald Webster last year was premature as the government has not been able to balance the budget. Government's fiscal budget for 1984 was put at \$12 million but government has not been able to balance the budget. The British Government, according to local officials, indicated that it was not happy to see Anguilla return to the budgetary support scheme and commissioned a budgetary aid review to be conducted by officials of the British Development Division. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 84 p 14]

CSO: 3298/177

PARTIES NAME CANDIDATES IN ANTICIPATION OF ELECTIONS

Shoman Nomination

Belize City DISWEEK in English 26 Oct 84 pp 1, 11

[Text]

SUNDAY OCT. 21ST - UNITEDVILLE

This picturesque village of Unitedville was the scene today of a massive demonstration of support for Representative Assad Shoman.

Party supporters of the People's United Party from Santa Elena right along the Western Highway to Teakettle (Esperanza, Georgeville, Unitedville, Blackman Eddy and Ontario) gathered a thousand strong (the crowd has been estimated anywhere from 800 to 1200) to show full solidarity with Shoman.

Over the past two weeks the Health Minister who represents the Cayo North which has now been split into two divisions, North and Central, faced an opposition to his candidacy from a strange quarter - the burnt out former PUP representative, Hector Silva.

Silva who showed up in Cayo loaded with goodies said he had come back to regain his seat. There was quite a bit of money thrown around. Sports gear, footballs, jerseys etc. were freely distributed by Silva and the few who gathered around him.

The convention was called for Sunday 21st at Unitedville. At a meeting of the Central Executive of the PUP, both candidates agreed to the ground rules. That was last Wednesday. On Thursday the following night Silva calls a public meeting and launches into an attack on the PUP government and Mr. Shoman. Paradoxically, most of Mr. Silva's salvos were directed at the Electricity Board and the Water Authority both agencies for years under the Ministerial portfolio of Mr. Louis Sylvestre.

As the date for the showdown approached, the

Shoman PUP machine moved into high gear. The word went out, meetings were held in every village of the constituency. The people were mobilised.

When the convention was called to order by Ag. Secretary General Hon. Florencio Marin on Sunday afternoon at 2:15 p.m. it was no contest. Silva was nowhere to be seen. His few supporters were ashamed to even surface.

The support for Assad Shoman was overwhelming. And as Florencio Marin told the crowd - This was the official convention of the People's United Party for the Cayo Central Division. Anybody who said otherwise was a fool and an imposter! Commented one observer, "It seems like the PUP and certainly Shoman perform best under pressure."

PUP Backing for Shoman

Belize City BELIZE SUNDAY TIMES in English 28 Oct 84 p 12

[Text] The Central Executive of the Peoples United Party met on Wednesday 24th October and agreed that the Convention to elect the PUP candidate for the Cayo Central Division was legally and constitutionally held on Sunday 21st October 1984 at Unitedville in the Cayo Central Division. The Convention was supervised by the Acting Secretary General Florencio Marin and witnessed by several PUP leaders. The Central Executive is fully satisfied that the Convention, which was attended by at least 800 voters, was constitutionally conducted and that full opportunities were extended to all for a fair election. It is fully satisfied that all the procedures leading up to the Convention were such that any aspiring candidate had fair treatment and was offered considerations even beyond those called for by the constitution.

Central Executive is therefore happy to endorse the selection of Assad Shoman as the official candidate of the PUP for the Cayo Central division, he having been unanimously elected by acclamation at the said convention.

The Central Executive further declares that the Convention of 21st October is the only constitutional and officially recognized PUP Convention for the Cayo Central and that any other convention which purports to be a PUP Convention for Cayo Central is totally without validity and is hereby declared unconstitutional, illegal and void.

[Signed] Louis Sylvestre, party chairman; Florencio Marin, AG., secretary general; George Price, party leader.

Silva as Independent

Belize City AMANDALA in English 2 Nov 84 p 1

[Text] BELIZE CITY, Fri. Nov. 2--Hector Silva held his own Cayo Central convention last Sunday in Santa Elena and has begun to discuss an independent run at the seat, after PUP Leader Prime Minister George Price disowned him to endorse Assad Shoman.

The situation thus becomes fraught with danger for the UDP. Independent candidates have historically taken votes away from the opposition, not from the monolithic PUP.

Fonseca, Palacio Nominations

Belize City BELIZE SUNDAY TIMES in English 28 Oct 84 p 12

[Text] The Mesopotamia and the Queen's Square Divisions, Belize City, have selected the People's United Party candidates who will contest the upcoming national elections.

On Wednesday night, at the PUP Mesopotamia/Queen's Square Youth Center, hundreds of Party members and supporters attended a Convention and selected Mrs. Myrtle Palacio as the candidate for Mesopotamia, and Mr Ralph Fonseca as the candidate for the new Queen's Square Division.

Mrs Palacio was nominated by Mr Dennis Cumberbatch and seconded by Mr Calvert Stamp. Mr Fonseca was nominated by Mrs Hilda Beckles and seconded by Mr Norman Gladden.

Present fro the Convention were Ministers Said Musa and David McKey, and Mr John Eroles, National Campaign Manager of the PUP.

Other PUP Candidates

Belize City BELIZE SUNDAY TIMES in English 4 Nov 84 p 4

[Text] Carlos Dias for Lake Independence

The People's United Party has selected Mr Carlos Diaz as the candidate to contest the General Elections for the Lake Independence electoral division.

At a Convention held Wednesday night at the Belize City Centre, more than 1200 PUP mem-

bers and supporters selected Mr Diaz, a well-known businessman of the area. Two other candidates were nominated, Mr Victor Usher, who came second, and Mr Mark Cuellar, who came third.

Mr Diaz was nominated by Mr Edwin Flowers.

The elections were conducted by Mr Clement Usher of the PUP Secretariat.

Party Chairman Mr. Louis Sylvestre, and acting Secretary General, Mr Florencio Marin, were also present as well as Ministers V H Courtenay and Mrs Jane Usher.

Montejo for New Collet

Remijio Montejo, a former mayor of Belize City, has been selected as the People's United Party candidate to contest the national elections for the New Collet Division.

Montejo, 34, was selected at a Convention attended by some 300 PUP members and supporters at the City Centre on Sunday, Oct. 28. He was nominated by Ms. May Davis, J.P. and seconded by Rosamond Yearwood.

Area Representative and Minister of Home

and Foreign Affairs, Mr V H Courtenay, presided at the Convention. National Campaign Manager of the PUP, Mr Jose Erales, represented the Party Executive.

Remijio Montejo established himself as a national figure in the political arena during his term as mayor of Belize City in 1980. He grew up in the Collet Division and is well known and liked by young and old alike in the area.

Valdemar Castillo, Standard Bearer for Corozal North

The Corozal North Division of the People's United Party held its Convention on Sunday October 28 in the village of Xaibe to select a candidate to contest the upcoming General Elections. The Convention was held in the Community Center.

Members and supporters of the PUP attended in great numbers from 6th Street north of Corozal Town and from the villages of Consejo, Santa Elena, Chan Chen, Paraiso, San Antonio, San Andres, Patchakan, Cristo Rey, San Pedro, and the host

village of Xaibe.

Some 1,500 people attended the Convention and unanimously elected the Hon. Valdemar Castillo to be the standard bearer.

PUP Chairman, Hon. Luis Sylvestre, and acting Party Secretary General, Hon. Florencio Marin, conducted the Convention.

Courtenay Position

Belize City DISWEEK in English 2 Nov 84 pp 1, 11

[Text]

Vernon Harrison Courtenay, Attorney General, Minister of Home and Foreign Affairs chose his venue carefully to make the historic announcement.

The place - Belize City Centre, Time - Sunday October 28th. The occasion - Convention of the Collet Division. V.H. made the announcement to the people he had represented - the residents of the Collet division - these past 15 years. Because of ill health, Representative Harry Courtenay said he would not be offering himself as a Candidate in the next general elections.

He made it clear that this decision was based strictly on medical advice, that he had no quarrel with the Party Leader, George Price or Lindy Rogers. He had no problems with the People's United Party.

"Indeed," said the Minister, "I shall remain with my Party."

Although the decision of Harry Courtenay to step down from active politics was kind of expected among the rank and file who knew of the serious illness the Minister had undergone these past two years, there was still a sadness in the moment and a pained shock on the faces of many of the Party faithful when he formally announced his decision.

The guest speaker at Sunday's convention, Education and Economic Development Minister, Said Musa paid tribute to Harry Courtenay for the most valuable contribution he had rendered to the party and to the country.

Harry Courtenay will perhaps best be remembered for the key role he play-

ed in our country's march to Independence. He represented Belize all over the world, at CARICOM meetings getting our brothers and sisters in the Caribbean to take a frontline position on the struggle for Belize's sovereignty and territorial integrity; at Commonwealth meetings rallying additional support and at the United Nations.

A supreme optimist and one who can inject a spirit of jovial good humour in the most charged atmosphere, Courtenay

the politician has also been a very serious man who plays strictly by the rules.

The people of Collet will lose a good man but, as Harry himself told them on Sunday, they are gaining fresh new blood in the party to represent their interest.

Remijio (Nacho) Montejo a dedicated hard working past Mayor of the Belize City Council was unanimously elected as the new PUP standard bearer of the new Collet division.

2. UDP Candidates

Belize City THE BEACON in English 3 Nov 84 p 9

[Text]

AFTER four conventions held over the last week, the United Democratic Party (UDP) ticket for the upcoming general elections has reached 23, leaving only five candidates to be selected to reach the new total of twenty-eight dictated by the revision of the electoral divisions, which upped the total from the current eighteen seats.

The gerrymandering plan was approved by the National Assembly on Friday last week and endorsed by

the Senate on Tuesday. But the final approval came under the fire of harsh criticisms from the UDP members of both Houses.

The UDP conventions will be held in the Corozal South East, Corozal South West, Cayo South, Orange Walk North and Orange Walk Central Divisions early in November, to bring the UDP ticket up to full strength.

Below are the UDP candidates that have already been selected:

BELIZE CITY

Caribbean Shores
Freetown
Fort George
Pickstock
Albert

Manuel Esquivel
Derek Aikman
Dean Lindo
Ramon Vasquez
Philip Goldson

Port Loyola
Mesopotamia
Queen's Square
Collet
Lake Independence

BELIZE RURAL

Belize Rural North
Belize Rural South

COROZAL DISTRICT

Corozal North
Corozal Bay

ORANGE WALK DISTRICT

Orange Walk South
Orange Walk East

CAYO DISTRICT

Cayo North
Cayo Central
Cayo West

STANN CREEK DISTRICT

Stann Creek West
Dangriga

TOLEDO DISTRICT

Toledo East
Toledo West

Henry Young
Curl Thompson
Dean Barrow
Frank Lizama
Hubert Elrington

Samuel Rhaburn
Joe Marin

Richard Quan
Israel Alpuche

Onesimo Pech
Elodio Aragon

Salvador Fernandez
Eduardo Juan
Jorge Guerra Mena

Ted Castillo
Dr. Henry Anderson

Charles Wagner
Lasilio Ah

Young, Aikman Nominations

Belize City THE REPORTER in English 4 Nov 84 pp 1, 6

[Text]

TORRENTIAL DOWNPOURS did not deter UDP faithful from turning out in force earlier this week to elect the two men who will represent the party in the Freetown and in the Port Loyola divisions.

Mr. Derek Aikman, the man who will be competing against the Prime Minister in the newly re-drawn Freetown Division,

was elected by acclamation on a motion by the Mayor of Belize City, Mr. Gustavo Bautista.

Mr. Aikman delivered a stirring speech which was interrupted several times by applause. Belize, he pointed out, needed her young men with energy and dynamism and good ideas and integrity above reproach to build a

new future for the young people of Belize.

A day later in the Yarborough area of town Mr. Henry Young emerged victorious in a two-way contest as the standard-bearer for the newly formed Port Loyola electoral division.

In a brief speech Mr. Young struck out hard against the ruling party's greed and lust for power and called for a new beginning that will place Belize once more on the road to achievement.

"If we tolerate dishonesty and dirt, family and community life will continue to break up", he said. "If we allow hatred of another party, race, class or creed, violence will grow. If we fail to reestablish Christian principles as the regulator of private and public morality, democracy with its freedoms will be destroyed."

"To tackle these deeper issues" Henry Young said, "will require our united

determination and the help and direction of Almighty God. If we can solve these problems, we can show that a small, and free, multiracial society can work in this part of the world.

"There is a job out there to be done...I hope other responsible citizens will come forward. People need help, and those who can help should come forward and lend a helping hand", Mr. Young said.

oo00oo

In other week-end election news Mr. Hector David Silva, working without his party's official blessing, nonetheless managed to hold a notably successful convention in Santa Elena last Sunday despite pouring rain. More than five hundred voters from the Cayo Central division endorsed his candidacy as a preferable alternative to the incumbent and official favourite, Mr. Assad Shoman.

Asked to comment

on the PUP Party's officials release in the Belize Times which claimed that some 600 voters had attended the Shoman convention in the Unitedville village the previous Sunday, Mr. Silva told the Reporter: "That statement is a blatant distortion of the truth. I have reliable evidence to show that only 173 voters turned up for the Shoman convention last week."

oo00oo

In Orange Walk the defeat of Minister Joe Briceno at the hands of the Orange Walk cane farmers is correctly being interpreted as a serious blow to PUP hopes in the north. The party had made a strenuous effort in the seven days preceding the floor vote to drum up support for the former chairman.

Loss of the CFA Chairmanship in an election year is widely perceived to mark a general swing in voter support in Orange Walk [see below].

Address by UDP's Young

Belize City THE BEACON in English 3 Nov 84 pp 1, 2

[Text] WE all know that this election will decide which party will be in control at Belmopan. My question is what attitude and spirit will control us as

a people? In our hearts most of us know that if we do not tackle greed then unemployment and inflation will continue to rise. If we tolerate dis-

honesty and dirt, family and community life will continue to break up. If we allow hatred of another party, race, class or creed, violence will grow. If we fail to reestablish Christian principles as the regulators of private and public action, democracy with its freedom will be destroyed. To tackle these deeper issues will require our united determination and the help and direction of Almighty God. If we can solve these problems, we can show that a small free multiracial society can work in this part of the world. I believe there is a job out there to be done. In fact I know there is a job out there to be done. I believe I can contribute. I believe I am equipped. I hope other responsible citizens will come forward. People need help and those who can help should come forward and lend a helping hand. I believe in today and in the work I am doing. I believe in tomorrow and

in the work I hope to do for Belize and in the sure rewards which the future holds. With the understanding of my family and the help of my friends we are going to succeed in this community. I feel that with some of my ideas I could fire the imagination of the pioneers of this new area.

I might mention that I am no stranger to community organisation. I have served time in Rotary, CVSS, Red Cross, Salvation Army, Chamber of Commerce, National Development Foundation of Belize and Michigan Partners. This I believe has provided me with the groundwork which I will need. Quote from *Amandala* 19 October, 1984 "The solution to our problems is a new national leadership which should plough up the earth and having exposed new fertile soil to the sun, plant good seeds for future harvest."

I believe in God - Family - Community - Country and the U.D.P.

PAPERS COMMENT ON NOMINATIONS, PUP INTERNAL DIVISIONS

Confidence in Esquivel

Belize City THE BEACON in English 27 Oct 84 p 2

[Editorial]

[Text]

IN making the issue of its leader versus the PUP leader - Esquivel vs Price - one of the major themes of this general election campaign, the United Democratic Party is on firm ground. For the fact is that the electorate does set great store by this question of who is best qualified to be Prime Minister and Chief Steward of the nation. And the UDP has to know that in a one-on-one contest between Esquivel and Price, Esquivel is certain to be the winner by a knockout.

Increasingly, the national perception of Mr. Price is that of a weak and vacillating leader. A man out of step with the times, without any firm grasp on reality, a latter day Nero fiddling hymns to Mayan gods while Belize burns.

On the other hand, Mr. Esquivel now commands pre-eminent national respect, as well for his unquestioned integrity as for his clarity of purpose and sharpness of vision.

The PUP is aware of all this and that party is thus on the defensive, scrambling to find a way to respond to the UDP strategy and stop the Esquivel express. There can be no thought of trying to discredit the man, so firmly entrenched is Mr. Esquivel's reputation for rectitude. Hence, the PUP tactic is now to question the security of the Senator's leadership.

Accordingly, in the PUP press these days the talk is all of conspiracies and plots. Of elements in the UDP waiting in the wings to depose the good Senator as soon as the elections are over.

It is a line that simply will not sell. The UDP through its Central Committee, its National Execu-

tive and its supreme Biennial Conference, has spoken with one voice. Esquivel is the leader now, Esquivel will be the leader after the elections, and the issue is squarely Esquivel versus Price, mano a mano, let the people decide.

The PUP's attempt at counterattack then, is patently weak, and the electorate knows the truth. This is why the UDP's rallying cry can go forth with such confidence and such success: Manuel Esquivel, Belize's next Prime Minister.

Shoman-Silva Dispute

Belize City THE REPORTER in English 28 Oct 84 p 2

[Editorial]

[Text]

RECENT events out West, where the People's United Party is embroiled in a struggle stemming from deep ideological differences within itself, have forced the Prime Minister, Party Leader Mr. George Price, to get down off the fence to endorse the candidacy of Mr. Assad Shoman. Evidently Mr. Price believes that a convention, called in a remote village, with only a week's prior notice, is perfectly all right. Now that Mr. Shoman has won his convention, the way is clear for the P.M.'s endorsement.

The important thing is that the convention should have a veneer of authenticity. It doesn't have to be democratic, and it doesn't have to reflect the wishes of the voters. All that is needed is a prima facie case that Mr. Shoman won his convention, and that makes him the party's choice.

Too bad for the challenger Mr. Hector Silva. If he believed that the voters' choice would have anything to do with selecting a candidate, events of the last week must quickly disillusion him.

For Mr. Shoman has always been a protegee of Mr. Price. When in the late 1960's Mr. Shoman came back from his legal studies in England, a firebrand advocating the kind of revolution that "comes out of the barrel of a gun", it was Mr. Price who supported his admittance to the Public Service. Later when at the insistence of the

Governor and the Chamber of Commerce Mr. Shoman lost his appointment, it was Mr. Price who took him in and gave him a non-government post as his own personal assistant. Later in 1969 when Mr. Hector Silva fell from grace for criticizing the stridency of Mr. Shoman's leftist position, it was Mr. Price once more who first encouraged and then coached Mr. Shoman into moving into the Silva Cayo constituency.

There is nothing new in Mr. Price's wholehearted support for Mr. Shoman, the whiz kid of the intellectual left. What is new is that people are seeing clearly for the first time things that they should have seen long ago - that the Prime Minister, Mr. Price personally and actively encourages the left. He offered no resistance five years ago when Messrs Shoman, Musa and Courtenay re-wrote the party manifesto, converting it overnight in name and in essence from a labour movement to a socialist party.

Looking dispassionately at all this evidence, one can see method and consistency in the actions of the Prime Minister. He is supporting Mr. Shoman because, purely and simply, he wants to, and he thinks he has the votes to make it stick.

More on Shoman-Silva Row

Belize City THE BEACON in English 3 Nov 84 p 2

[Text] WITH the manipulations of the left wing of the Pup, including, Price and Musa, comrade Shoman was selected leader of the Cayo Central constituency. Hector Silva had challenged Shoman, but the party manipulated by the communists handed him the nomination. Or so they thought.

Silva held a convention of his own for the same area. he made it clear that he was running as a

card-carrying member of the Pup.

At this convention some 512 delegates selected Silva by acclamations.

It thus became clear that both men would be contesting the seat at the general elections.

The size of Silva's convention obviously caused great concern to the left and, sure enough, they made a new and contradictory move. Shoman now wants to run for Cayo

North instead. This posed a problem because he had just drawn the party into a position of supporting him for Cayo Central. How could he back down?

The scheme is to call a convention of both the Cayo North and Central at the same time. This is obviously illegal, but that does not matter to those who believe in dictatorship. The three candidates, Harrison, Lveral Waight and Shoman would contest. The top two would be the representatives. Shoman would then slip out of the Cayo Central into Cayo North thus avoiding certain defeat from Dito Juan, the UDP candidate and obvious

choice of the voters in the Cayo Central.

A committee on Wednesday of this week journeyed to Belize City in the hope that pressure could be put on Harrison to accept this nefarious and illegal plan.

It is not known what transpired at that meeting, but, taking past Pup behaviour into consideration, it is safe to assume that Harrison will get the shot-shift and the communists will have their way - with the Pups that is. The voters of Belize will reject these communists whenever the elections are called for that is the overwhelming mood of the country.

Defeat of Communists

Belize City THE BEACON in English 3 Nov 84 p 1

[Text] THE communist-supported candidate, Victor Usher, on Wednesday night lost the race for the Pup standard bearer for the Lake Independence area.

At the convention held at City Centre it was clear from the beginning that Carlos Diaz would win. The communist wing of the Pup consisting of Price Shoman, Musa and their campaign manager, Lightburn, did everything for fellow-traveller, Victor Usher.

During the day John Aguet, a close friend of Diaz, was told in no uncertain terms that he should not help Diaz in any way. He should not even attempt to speak at the convention.

Diaz himself, received some not-so-subtle threats in an effort to get him to back-off from contesting. He held his ground and proceeded to beat the leftists with the greatest of ease.

The campaign for this constituency had built to fever pitch with money, drugs and ham being passed out hand over fist. Invectives and bad-mouthing was the order of the day.

When the results came out and Diaz emerged the winner by more than 100 votes, the communists left the area in a huff.

Usher was heard to lament that he had lost all the money he spent campaigning - including the thousands he had poured into television.

And so the communists and their manager must lick their wounds at this latest in a series of rejection by an aware people.

Diaz must now face the formidable, ever-popular, Attorney-at-Law Hubert Elrington, the United Democratic Party candidate for the elections.

CSO: 3298/182

PAPER CALLS ON PRICE TO NAME DEPUTY PRIME MINISTER

Belize City THE BEACON in English 3 Nov 84 p 6

[Text]

EVER since this country has had a Prime Minister, it has also had a Deputy. That is until January of this year.

For some time the Pup has been splitting apart at the seams. Mr. Price has tried his best to pacify the warring factions of his party without success. The right and the left dug in and refused to budge.

Matters came to a head when the then Deputy Prime Minister, Rogers, was unceremoniously removed. The right demanded the second spot, the left also claimed it. Mr. Price vacillated. He feared both sides.

Since January of this year he has been away some four times. Each time the country has had a different person deputising for him.

This is not good enough. The country is not really concerned about Mr. Price's internal political problem. These he must resolve himself. But not at the expense of the public good. It is time he stood up like a man and make a decision. The country is entitled to a leader who leads. It does not want, nor does it deserve one who is incapable of making a decision.

He pretends that the rest of the country is not aware of the deep division in his party. Well it was "open packie" at his May convention. Then too, every week, his two pup papers, *The Voice* and *Disweek* are openly criticising his ministers, making open and very telling charges.

The country demands a decision. Pick a deputy, Mr. Price.

GUATEMALAN PRESSURE CONTINUES; UK WITHDRAWAL RUMORED

British Concerns

Belize City THE REPORTER in English 28 Oct 84 pp 1, 4

[Excerpt]

re-write her plan of withdrawal.

For as one British Foreign Office diplomat put it: "How would it look if we fought for 1,800 white Falklanders and then seemed to abandon 150,000 black Belizeans"?

Even though British Troops are staying for the time being, there is no doubt that the British Prime Minister, Margaret Thatcher wants them all out as soon as possible, because she does not want her troops embroiled in a wider Central American slug - fest. As long as British Forces stay, Guatemala's eastern boundary is safe from the Cubans and the gun-runners and the drug fiends. But once the British pack up and leave, the position could change dramatically. The British, according to the magazine

"Soldier", think it will take the BDF 20 years to reach the point where it can defend Belize".

What "Soldier of Fortune" has to say is revealing and disturbing in some ways. It states, for example, that the British Foreign Office is in favour of giving only 24 hours notice of Britain's intention to leave. The article also states that last year a plan surfaced in London to reduce part of the British Forces now stationed in Belize. The proposed reduction was intended to send a signal to the Prime Minister, George Price, that he cannot count on British protection after say, six months, and that he should try and make the best deal with the Guats - even if that means giving up part of Belize.

Even though Guatemala leaders now say they have no intention of fighting over Belize, the British worry about small incidents which could blow up out of all proportion. Such an incident did take place last year, when a group of some 20 armed Kaibils threatened to cross over into Belize to rescue three of their members who had been arrested. One of the men proved to be the Company Commander of the Kaibils in El Peten. The Belize government diffused the tense situation by releasing the Kaibil officer and men after booking and fingerprinting them.

A similar tense situation occurred this year in the remote Indian village of Jalacte, situated some five miles from

the border with Peten, whose nearest neighbour is the larger village of Aquacate, some five miles to the east.

Villagers in Jalacte woke up one morning to find Kaibil soldiers in charge of the place. For "several days" they remained in the village, ordering the villagers about and telling them what to do. The British watched from the jungle but took no action. Later unarmed Police came from Punta Gorda and ordered the Kaibils out.

Incidents like these two show Guatemala fully intends to keep up the pressure on Belize by selective penetration and guerilla-style "incidents", to show that independence is **not the end of the dispute, only a new beginning.**

Report of 'Secret' Talks

Belize City THE BEACON in English 3 Nov 84 p 8

[Text] INFORMATION not confirmed indicate that the PUP Government has had secret talks with British and Guatemalan officials and has agreed to a solution on the Anglo-Guatemalan dispute over Belize.

The Guatemalan Assembly is about to introduce an article in the new constitution of the country to eliminate from the

constitution the difficulties to settle the demands of Guatemala.

If George Price and his government should be re-elected, it is hoped that these highly confidential propositions be approved.

In agreement with the solution, they would open the way for the withdrawal of the British Troops. They would neutralize the

North American influence over Belize and this would ease down the doubts of oil companies exploring for oil which could be found in territory that is claimed by another country.

It is no secret that the Prime Minister, Margaret Thatcher wishes to withdraw her troops from Belize, but she has been pressured by President Reagan to maintain them there in order to prevent the transit of arms through Belize for the Mexican and Central American marxists rebels.

Apparently the rupture has received a blessing from Prime Minister Price and leftist elements of his government, who feel that with the withdrawal of British troops, U.S. influence over Belize would decline and Belize would not have to establish diplomatic relations with countries like Israel and instead open its doors to Cuba and other socialist countries of the third world.

Mr. Price himself is tired of the Guatemalan

demands which he thought would have disappeared with Independence and therefore he needs to correct the unbalance of trade and communication with its old neighbours.

The agreements in question are understood to give Guatemala certain concession of the Toledo District, such as revising the sea limits between Guatemala and Belize waters of the Sarstoon, the Bay of Amatique and the areas of the Ranguana Cayes.

A Guatemalan Congressman has insisted of the importance of an outlet for the products of El Peten by way of the Toledo District.

The PUP Government has abandoned the Toledo District in its plans for economic progress. This could be an indication that Guatemala could develop such programmes and services during the use of the concessions offered in the respective agreement.

(Taken from the Toledo Star, Punta Gorda, October 14, 1984).

BRIEFS

NEW UK ENVOY--Mr. John Michael Crosby, M.V.O., new British High Commissioner to Belize, assumed his new duties this week in Belmopan. Mr. Crosby entered the British Diplomatic Service in 1965 and has served in the Middle and the Near East, in London, Europe, Africa and Mexico City. Mr. Crosby is married. He has a son and a daughter. [Text] [Belize City THE REPORTER in English 4 Nov 84 p 11]

POLICE TRANSFERS--COMMISSIONER of Police Mr. Maxwell Samuels has announced transfers of some ranking Police Officers. Inspector Carmen Zetina, now the Officer Commanding the Cayo Police District, will be transferred to take command of the Stann Creek District. Assistant Superintendent Ruben Rodriguez, now the Commanding Officer in the Stann Creek District, will be posted west in charge of Cayo. These transfers will become effective on November 1st. ASP Eskot Duncan will be brought in from the deep south, where he was Commanding Officer for the Toldeo District, to take over as head of the Police Patrol Branch. AIP Earl Morey will be posted as O.C. Toldeo, while ASP Dennis Molina who was in charge of patrol will take over the traffic and transport branch of the Police. These transfers will become effective on November 16th. [Text] [Belize City THE BEACON in English 27 Oct 84 p 7]

CSO: 3298/183

PLP TAKES EXCEPTION TO CLAIMS MADE IN THRONE SPEECH

Text of Throne Speech

Hamilton THE ROYAL GAZETTE in English 26 Oct 84 p 4

[Text of Speech from the Throne, delivered by Her Royal Highness The Princess Margaret, Countess of Snowdon, on the occasion of the Convening of Parliament Thursday, October 25, 1984]

[Text]

Your Excellency, Mr. President and Members of the Senate, Mr. Speaker and Members of the House of Assembly:

I have it in command from The Queen to open this Session of the Parliament of Bermuda, the most ancient Parliament in Her Majesty's Overseas Territories, and it is a pleasure for me to do so in this 375th year after the arrival of the first inhabitants.

These islands have witnessed much change since those first early days.

The Government can point with pride to the social and economic well being of the community at large and will continue to work with all sectors to maintain the efficiency, productivity and competitiveness which is so necessary for continued economic success.

In the year ahead the Government will study its priorities carefully to ensure that both capital expenditure and human resources are utilised in the best possible way as investments for future generations.

It is important that our small islands be preserved as carefully as possible consistent with the need for more housing and amenities. The government is determined to develop policies for land use which, whilst recognising the need for homes, will also preserve land for people to relax and enjoy Bermuda's fortunate environment.

The Government will continue to strive to achieve Bermudian home ownership.

Education and the needs of an increasingly technological society will be met in

our schools by a greater emphasis on science and computer facilities and a careful transition to higher education.

The Government intends to encourage a greater parental involvement in education at all levels, and in this Heritage Year an exercise in planned communication between students and senior citizens is providing valuable associations for both.

Having received and considered responses to the Green Paper on Labour Relations, you will be advised of changes to be considered to improve the law and administration relating to Labour Relations.

There is particular concern over work stoppages during the currency of collective agreements which can generally be avoided by proper use of the grievance procedure already existing in most agreements and both labour and management will be encouraged to give this their attention.

The early predictions for tourism in 1984 have not been realised.

A new strategic tourism marketing plan is being actively developed, and greater emphasis will be given to group business.

Efforts to introduce a grading system for our hotel industry are well in hand and this will contribute to improvements in services and amenities.

Bermuda must face — in common with many countries — a deterioration of human values brought about by the serious problems arising from drug abuse and escalating crime.

The Government shares the public's concern over drug related crimes, and expects that the advice of the Royal Commission enquiring into the Use and Misuse of Illicit Drugs and Alcohol will enable policies and programmes to be developed to deal with this problem.

The Government will give high priority in the Capital Development Plan for the building of a new Maximum Security Prison. Funds for site preparation and foreshore reclamation work on Ireland Island will be provided in the next financial year.

Road Safety continues to give cause for concern despite the strict application of the law against drinking and driving. The Road Safety Council is renewing its efforts to promote good driving habits and safety on our roads.

The completion of the new bus garage at Fort Langton will provide for a much improved service to the public, as will the provision in the coming year of new ferry boats and an enhanced service to the western parishes.

The Government has recently entered into a Guarantee to enable the Housing Corporation to borrow \$75 million to continue its construction programme.

The Government is giving priority to the problem of refuse and sewage disposal and contracts for a modern incineration plant incorporating an energy recovery system for the production of electricity will be placed as soon as siting plans have been confirmed.

As the United Nations has declared that 1985 will be the International Youth Year, a planned calendar of events and activities will focus on the participation of our young people in community life.

A special programme for the preservation of important material in the Bermuda Archives will be undertaken.

Next month in London the Band of the Bermuda Regiment will participate in the Lord Mayor's Procession.

Mr. Speaker and Members of the House of Assembly:

The Estimates of Revenue and Expenditure for the next financial year will be laid before you.

Mr. President and Members of the Senate:

Mr. Speaker and Members of the House of Assembly:

You will be invited in the coming year to consider legislation which will include the following:

The Statutory Instruments Amendment Bill.

Trade Marks Amendment Bill.

Human Rights Amendment Bill.

Condominium Bill.

Succession Amendment Bill.

Tynes Bay (Special Planning Provision) Bill.

Government Authorities (Fees) Amendment Bill.

Private Road (Lighting) Bill.

Traffic Offences (Penalties) Amendment Bill.

Court of Appeal Amendment Rules.

Limitation Bill.

Queen's Park Golf Course Bill.

Health and Safety at Work Regulations.

In concerning itself with the needs of the community as a whole, the Government is mindful of the special needs of the aged and consideration is being given to the enlargement of rest homes to include day care facilities for the elderly to enable them to have appropriate care and facilities during the days and return to join the working members of the family unit at night.

Working mothers need good day care for young children over a longer period of hours and to meet this need Day Care Centres will provide extended hours care.

The Government proposes to increase the availability of family counselling services.

Continued support will be given to the use of school buildings as supervised recreational centres in the evenings, weekends and during school vacations. Community Groups will be encouraged to provide recreational and educational programmes for all ages.

There will be limited development of the Frog Lane site for sports activities together with the provision of additional public facilities at the National Stadium.

The Government will, in the coming year, dedicate its primary efforts to the social needs of the country. Our people will be encouraged to assist in the maintenance of a just, humane and compassionate society offering equal opportunity, harmony and happiness. This aim will require the goodwill and co-operation of everyone.

Bermuda cannot expect that the economic ills of nearby countries will never affect its own wellbeing; we must not assume that our prosperity will continue without a concerted effort to sustain it.

It could well transpire that the future may not be so bright as in the past; a period of restraint and sobering readjustment may now be necessary.

While the Government does not intend to alarm or create despondency, it is necessary to draw attention to the need for constant vigil over our courtesies; good service to attract tourists; efficiency

and technology to attract international business; and perhaps most important of all, efforts to keep Bermuda, as it has been for many of its 375 years, a special place in the minds and memories of those who come here for leisure or business.

If all who live and work in these islands join together to achieve such an excellence of life than with God's Blessing we can look with confidence to the future.

The Government wishes to express its great appreciation to the many persons

who have organised and participated in the Anniversary celebrations which have promoted a joyful spirit of unity and pride.

I am pleased to open Parliament today on behalf of Her Majesty The Queen and I wish you well in your work.

Mr. President and Members of the Senate:

Mr. Speaker and Members of the House of Assembly:

I now declare this Session open and may God guide you in all your deliberations.

PLP Reply

Hamilton THE ROYAL GAZETTE in English 3 Nov 84 p 4

[Reply to Throne Speech by leader of the opposition Lois Browne Evans in the House of Assembly on 2 November 1984]

[Text]

MR. SPEAKER AND HONOURABLE MEMBERS OF THE HOUSE OF ASSEMBLY:

It is approximately ten years now since we have been allowed to make a formal written response to the Throne Speech. Each year the end result has been that we spend the day debating the Opposition's Response to the Throne Speech — and we are flattered that Government realises that our Response is worth debating rather than the Throne Speech. This year, Mr. Speaker, someone has acknowledged this convention, for the Throne Speech is mercifully brief and consisting only of three (3) pages listing Government's forthcoming legislation and expressing a few concerns of Government.

Gone are all the "wordy" and "folksy" platitudes. Gone are the endless stringing together of meaningless jargon without any commitment to the people.

MR. SPEAKER, what the people of Bermuda and the Opposition want to know is why did this Government in March, 1984 set aside \$8,000,000.00 until the year 2012 for the next generation when it ought to have foreseen that around the corner (three months at the most) there was a projected fall-off in tourism, a level-off in exempted companies coming to Bermuda to do business in Bermuda and a generally worsening economic picture.

Why Mr. Speaker was it that the people of Bermuda were sold a lot of "hyped-up" commercials promising eternal prosperity if one would only vote for the United Bermuda Party?

MR. SPEAKER, the visit of Her Royal Highness Princess Margaret to officiate in our 375th Anniversary celebrations has provided the only light relief in what has been a year full of gloomy predictions regarding the future of our Country and our citizens.

In the same way the first settlers on board the Sea Venture ran into foul weather and were ship-

wrecked on Bermuda's treacherous reefs, the people of Bermuda now seem to be facing economic and social shipwreck. This time, it is brought about not by weather but by the ill-conceived economic policies of the United Bermuda Party Government coupled with a mercenary policy devoid of social values and concern for the weaker members of Bermudian society.

Princess Margaret's visit occurred amidst gloomy forecasts regarding the state of the economy, the spectacle of massive lay-offs and unemployment for Bermudians in the tourist industry, the uncertainty surrounding the introduction of Club Med, the forecast of a deficit in the Balance of Payments and the predictions of a budget deficit.

Accordingly, Mr. Speaker, this year I shall enumerate for Government's information the true concerns of Bermudians. Government, through various Ministers, has called upon the people to be aware that there will have to be a period of "belt-tightening" and that Government will have to cut back on many needed social projects and programmes.

This year's Throne Speech states: "Government can point with pride to the social and economic well-being of the community at large...". The fact is that Bermuda continues to suffer from significant pockets of underprivileged persons who have been by-passed by the mainstream of the economy. These are the people who are still not being adequately catered for by housing programmes and such activities as job re-training, and adequate social and recreational facilities. A country as small as Bermuda, and with such a delicate economy and infrastructure, cannot afford to have even pockets of discontent which can ultimately destabilise our society and affect the well-being of everyone.

The Speech says Government "will continue to work with all sectors to maintain the efficiency, productivity and competitiveness which is so necessary for continued economic success". Yet actions speak louder than words. It is not efficient to not escalate Bermudianisation of large segments of our work force, who send large amounts of their income overseas to their home countries and adversely affect our deteriorating balance of payments situation, as well as exacerbating our housing crisis and other parts of our infrastructure. Government cannot talk of "productivity" when it still denies many Bermudians the ability to obtain a direct vested interest in many parts of our economy, by providing insufficient help to small businesses. Nor does it encourage a sense of justice among our working people when it turns a blind eye to excessive profits of many of our major companies and employers, including the major utilities, while constantly preaching "belt-tightening" to the average worker. Government cannot talk of "maintaining competitiveness" while our tourist industry reels from the effects of a lack of forward planning for many years, providing for more competitive bulk air fares to Bermuda for

overseas travel agents and wholesalers, to enable us to compete more effectively with Caribbean destinations, as well as providing proper incentives, tax and otherwise, to both small and large hotel properties to upgrade their facilities and amenities.

The Throne Speech states that "Government will study its priorities carefully to ensure that both capital expenditure and human resources are utilised in the best possible way as investments for future generations". We hope that Government will now deal the death knell to the ill-advised Heritage Fund, only partly implemented despite the boasts of the former Finance Minister, and use these funds, and any others available, to benefit the needy in the present generation, whether through realistically and affordably priced housing, or the preservation of more open spaces for recreational and other purposes. It is contradictory to talk of utilising human resources while importing still more foreign workers, even as segments of the indigenous population are being bypassed and are losing their birthright.

Government says it will "continue to strive to achieve Bermudian home ownership". This is a laudable aim, but fails to take into account the needs of the lowest income groups and those in the more dire straits. There must be more realistically priced Government housing for rent, or at least a "half-way house" for those unable to afford Government's exorbitant mortgages (i.e. Rockaway and Devon Springs). A transitional phase must be allowed for.

The Speech talks of meeting the needs of an increasingly technological society in our schools by "a greater emphasis on science and computer facilities". This is fine, but there is also a need to re-emphasise and reinforce training in the basic three "Rs" and re-establish the need for our students to more actively use their own thought processes and not to become overly dependent on machines to do their thinking for them. There is a danger we are turning out too many "functional illiterates" in our schools.

The Speech refers to senior citizens. We believe that many of our skilled senior citizens are a wasted under-used resource. While retirement, part or total, must be their option, more channels should be provided for them to continue to make useful contributions to society after retirement. Government should institute a "Senior Citizens Corps" in which senior citizens with specific and valuable skills could be utilised, on a part-time basis, and for a fee, in various public and community projects, if they so desire.

The down-turn in Tourism and the attendant slow-down in the economy will usher in a year of industrial strife as management follow their traditional role (for this type of period) that is to maintain their share of the economic pie while encouraging employees to tighten their belts. Added to the down-turn in tourism is the reality of the closure of two major hotels, a situation which will throw hundreds of workers out of work. The

Government admits the "early predictions for tourism in 1984 have not been realised". While international factors can be partly blamed, certainly Bermuda would have had a greater cushion for the current problems if Government had not been so complacent and stultified in its thinking concerning tourism promotion over past years. For some four years now the Progressive Labour Party has called for a greater emphasis on the development of the meetings and conventions market, along with incentive travel, particularly to bolster business in the slower shoulder and off-season months. We have consistently called for a special division of the Department of Tourism to be set up to promote this business. Yet only now Government states: "greater emphasis will be given to group business". A task force approach is needed to develop the group business, particularly incentive travel, which involves persons with large disposable incomes.

Government talks of concern over drug-related crimes. The first report of the Royal Commission on Drug and Alcohol Abuse detailed the widespread use of illegal and legal drugs by our school children and young people. We re-emphasise that there is a need to deal not just with the effects of drug abuse, but the causes — to engage in preventive medicine. Only a fundamental look at the socio-economic fabric of Bermuda, and removing the breeding grounds of this disease, will suffice. Not only must remaining areas of poor housing be eliminated, but the family fabric repaired and shored up, by not gearing the economy — including the cost of housing — to multiple income families and the need for both parents to work, often both day and night, with the resultant lack of parental supervision of young children.

Plans for a new Maximum Security Prison. The "Big House" concept of prisons is outmoded, especially in such small communities as Bermuda. Bermuda does not need further institutionalising of its criminal population — it cannot afford to have a growing and permanent hard-core criminal population — we are too small to absorb it, and cannot just tuck it away in some forgotten ghetto. We must emphasise rehabilitation rather than just a large institution which will simply harden criminals.

The development of Fort Langton for the bus garage as well as the acquisition of new ferry boats, should be part of a large mass transport plan to solve Bermuda's growing traffic problems. There is a need for a more coordinated approach to public transport and for incentives to the public not to increase private car ownership. Government should thoroughly mesh road and water transport, for instance, by providing adequate car parks near major ferry wharfs to encourage commuters to do the bulk of their travelling by water where possible. A system of neighbourhood buses — mini-buses — should be set up to mesh with the existing bus system, and provide a more attractive and convenient alternative to private car usage. Government should initiate a study on how to effectively utilise the old railway-right-of-way in an advanced public transport system.

closure of the Castle Harbour Hotel and Loews Bermuda Beach Hotel will also impact on those other businesses which depend on these two hotels to support their existence, thus causing further defusion in the economy and the possibility of further lay-offs and redundancies.

To date the Government's response to these massive lay-offs has been to open an additional employment office for the workers to register. To date we have not heard the United Bermuda Party Government guarantee these workers other employment or unemployment insurance payments.

Every person in Bermuda is aware that our hotel industry is heavily staffed by non-Bermudian workers. It seems to us that a simple solution would be to repatriate the non-Bermudians and put the Bermudians to work in their places wherever possible. We cannot tolerate the spectacle where there are any Bermudians unemployed while a foreigner is doing a job that the Bermudian is capable of doing. We recognise that there are problems attendant with such repatriation but we feel that this matter must be explored for we believe firmly in Bermudianisation and we accept the principal that no Bermudian prepared to work should be idle while a non-Bermudian works at a job he is qualified to do. We challenge the United Bermuda Party Government to implement Bermudianisation immediately in the hotel industry.

With respect to Government's proposed changes in the law relating to Labour Relations, it is not sufficient for Government to continue to state that it is working towards better labour relations, Government must work to ensure that justice is seen to be done. Government must address the problems of excessive profits on management's part, ensuring that management, not just labour, engages in "belt-tightening". Government's over-ruling of the Prices Commission on increases in basic utility rates has not enhanced its credibility.

Preservation of archives material. The Archives should be given the resources to institute an audio and video archives of present-day Bermuda, as well as the experiences of older Bermudians, whose memories and experiences are being lost as they pass on. The loss of local television news and feature coverage has exacerbated this need.

Government has stated that concerning the Private Roads (Lighting) Bill that the Belco fuel duty increase instituted earlier this year will be used to fund road lighting schemes. We will be monitoring this to make sure this actually takes place and the money is not used for other schemes, such as the Hospital Levy has been used, as part of the Consolidated Fund.

Condominium Bill: There is a need to restrict the growth of condominiums in Bermuda (i.e. Coral Island Hotel re-development), since Bermudians are losing their birthright and living space, and part-time rentals of such condominiums is undermining our hotel industry. Renters of such condominiums are buying even their groceries in the US and bringing them down with them on the plane. They are spending less and less locally, and

this is also undermining the labour pool in the hotel industry.

Health and Safety At Work Regulations — We re-iterate that we are appalled that it has taken all these years for Government to come forth with the nuts and bolts regulations to go with the Safety at Work Act passed so long ago.

Limited development of Frog Lane site for sports activities. This replaces the plan for a fully-developed new National Sports Stadium. We deplore Government's axing of this project, which we consider vital to the well-rounded development and fulfilment of our young people. Government has cited the shortfall in Government revenue as the reason for postponing this capital project. This reason is not good enough.

Whether to provide more affordably-priced housing, or such projects as a National Sports Stadium, Government can no longer merely point to a lack of revenue as the reason for lack of implementation. The time is long overdue for Government to re-assess Bermuda's tax structure and implement a tax on company dividends (other than those used by senior citizens as a sort of annuity) and directors' fees. Government cannot justify taxing the ordinary working men and women of this country via employment tax and Hospital Levy, and not taxing the enormous revenue of the wealthy through company dividends.

Finally, Mr. Speaker, failure of the United Bermuda Party Government in their management of the Bermuda economy has led to the fear of deficits in our balance of payments and the possibility of a deficit in our expenditure over receipts for the year 1984/85.

Bermudians may now find themselves restricted in their travel allowances in order to conserve scarce foreign exchange for more vital overseas expenditures.

For years the Progressive Labour Party has argued for rapid Bermudianisation; in support of our argument we demonstrated that foreign workers automatically placed a drain on our foreign exchange earnings as they attempt to funnel their savings back to their home countries, to support families, to invest or otherwise to prepare for the time of retirement when they leave Bermuda and return home.

With the possibility of a deficit in our balance of payments how will Bermuda finance replacement of inventories? How will the Housing Corporation service the foreign interest payments due on the \$75 million debt incurred for the funding of Bermuda's housing programme? These and many other questions must be truthfully answered by the United Bermuda Party Government. Strategies are necessary in the face of the predicted deficit in our balance of payments.

For years the United Bermuda Party Government has operated a tax structure which is not only regressive but fails to take sufficient revenue from those better able to pay. In order for the Minister to solve his deficit problems for 1984/85 and the possibility of one for 1985/86, the Minister must review the entire tax structure with a view towards increasing the Government's share while at the same time easing the burden of those least able to pay.

I'm sure, Mr. Speaker, that certain members on the other side of the House will immediately shout out income tax, but Mr. Speaker, unless the Government of this Country recognises that Bermuda "is not another world" and has to raise its money like all other countries, we will continue to have these peaks and valleys of economic instability.

I THANK YOU.

PLP HOLDS ANNUAL CONFERENCE; DISSIDENTS CONTINUE ROW

Statement by Dissidents

Hamilton THE ROYAL GAZETTE in English 29 Oct 84 p 1

[Text]

The six PLP dissidents last night accused their Party of treating them unjustly and shabbily.

The rebels renewed their attack against the PLP leadership on the eve of the Party's annual delegates' conference.

They said that the Party's Central Committee had laid trumped-up disciplinary charges against them in a deliberate effort to undermine their political integrity.

And the dissidents appealed to the delegates to this week's annual conference to act in a democratic and responsible manner in considering their case. But the rebels said that they had no intention of attending the conference themselves.

A decision to rescind the charges on which they had been suspended and an apology from the Party would be the least they would accept as a resolution to the dispute, the dissidents said.

"It appears that the leadership underestimated the backlash within the Party over its outrageous actions against us," they said.

Mr. Walter Brangman MP issued the dissidents' statement yesterday on behalf of his suspended colleagues, Mr. Gilbert Darrell MP, Mr. Austin Thomas MP, Mr. Lionel Simmons MP, Mr. Calvin Smith and Mr. Roger Russell.

All six were suspended from membership of the PLP last month after being found guilty by the Central Committee of disciplinary charges arising from their public call for a change of Party leadership.

The Central Committee, in making its findings, said that it would be up to the annual delegates' conference to decide what further action might be taken against the dissidents.

In the case of Mr. Russell, however, the Central Committee said it would recommend that he be expelled from the Party.

ommend that he be expelled from the Party.

The dissidents' statement said that the six found it necessary to correct a misleading public statement made by the PLP through Party chairman Mr. Alex Scott in last Friday's issue of the *Bermuda Sun* newspaper.

Mr. Scott was quoted as saying that the dissidents' suspensions would technically end when the annual conference began, they said.

"That statement is in contradiction to both the motions passed by the Central Committee and the letters advising the six of us of our suspensions," the statement said.

"It is quite clear that the Central Committee conducted an exercise in suspensions which were deliberate, carefully thought out and executed in accordance with the wishes of the leadership."

The statement said that both Mr. Darrell and Mr. Brangman had witnessed the deliberations of Central Committee when it met to determine their fate in the Party.

"The PLP has treated its elected Members of Parliament, together with two other Party members, unjustly and shabbily.

"The trumped-up charges and the manner in which they were executed were designed to undermine the political integrity of the six suspended members, whose only act was that of expressing themselves for a leadership change.

"Our suspensions in our view can only be lifted by the annual delegates' conference. It is our hope that this body will act in a responsible and democratic manner in dealing with this matter," the statement said.

Mr. Brangman said that the dissidents

simply wanted to be treated fairly.

If the injustice of which they had been victims was to be corrected, the least they would accept would be a rescinding of the charges laid against them and the Central Committee's findings of guilt, and an apology from the Party, he said.

The annual delegates' conference is expected to consider the dissidents' suspensions tomorrow.

Rebels' Appearance at Conference

Hamilton THE ROYAL GAZETTE in English 2 Nov 84 p 2

[Text]

Delegates to the PLP's annual conference were expected to meet into the early hours of today in a bid to complete their lengthy deliberations on the future of six Party dissidents.

The suspended rebels — four MPs and two Party members — attended the conference at PLP Headquarters in Court Street for the second time last night to answer delegates' questions and put their side of the dispute.

As Wednesday night's adjourned discussion of the disciplinary proceedings resumed last night, there was no sign of when or what kind of a conclusion might be reached.

While Party chiefs had originally envisaged that debate on the dissidents' fate would be finished on Wednesday night, delegates have apparently made it clear that they want a full and frank discussion of the matters involved, no matter how long that takes.

It is understood that delegates had still to hear the case to be argued by several of the dissidents when it began last night's session.

And while the PLP hierarchy might ideally have wanted the matter resolved before today's meeting of the House of Assembly, it was open to the delegates to decide to devote more time to the subject at a later date if not in the immediate future.

The conference has been asked by the PLP Central Committee to decide whether the dissidents' suspensions should be lifted or extended, whether they should be expelled or subjected to any other kind of action.

Only in the case of Mr. Roger Russell has the Central Committee made a firm recommendation for expulsion.

The Royal Gazette has learned that at least until last night, the delegates had resisted any attempts to argue hard and fast resolutions relating to the dissidents until all points of view had been aired.

When the conference got under way on Monday, the six dissidents, as suspended members of the Party, had no plans to attempt to participate in the proceedings.

It was the delegates themselves who requested on Monday night, followed up by a demand on Tuesday night, that Party chairman Mr. Alex Scott extend a formal invitation from the conference for the rebels to attend.

Debate on Dissidents' Fate

Hamilton THE ROYAL GAZETTE in English 6 Nov 84 p 1

[Text]

Delegates to the Progressive Labour Party's annual conference met last night to resume their painful deliberations on what should be done with the six suspended dissidents.

The delegates have already talked late into the night twice in an effort to resolve the disciplinary dispute, and have extended the conference proceedings into a second unscheduled week to continue the debate.

And no-one seemed confident yesterday that last night's session would bring the matter to a close.

The conference has been asked to decide whether the four suspended Opposition MPs and two Party members should be expelled from the PLP, readmitted to the fold or further suspended.

The six dissidents — MPs Mr. Gilbert Darrell, Mr. Walter Brangman, Mr. Austin Thomas and Mr. Lionel Simmons, and members Mr. Roger Russell and Mr. Calvin Smith — were again expected to be present for last night's meeting, at the invitation of the delegates.

Opposition spokesman Sen. David Allen yesterday declined to confirm or deny that Party chairman Mr. Alex Scott — seen as a supporter of Opposition Leader Mrs. Lois Browne Evans — is no longer chairing the delegates' discussions.

The Royal Gazette understands that Mr. Randy Horton has been moved into the hot-seat while the often stormy arguments continue.

It is believed that while the Party executive is still arguing forcefully for the expulsion of the rebels, the delegates are split on what should be done.

While some delegates are firm supporters of the leadership come what may and others are recognised as being solidly in the dissidents'

camp, a large number are apparently troubled by the ramifications of the decisions to be made.

They recognise that to absolve the dissidents of any guilt and invite them back could be seen as a demonstration of no confidence in the leadership — an issue which no-one in the Party, apart from the rebels themselves, seems prepared to face.

But they also fear that to expel the six could damage the Party to such an extent that recovery may never be possible.

A compromise acceptable to both sides has so far failed to materialise.

The delicacy of the dilemma facing the Party was reinforced to delegates and members on Saturday when Miss Patricia Hewitt, Press Secretary to British Labour Leader Mr. Neil Kinnock, addressed the conference banquet.

Miss Hewitt warned the guests that the PLP's self-inflicted wounds could cost it votes at the next election.

The Party rift was apparently alluded to by another speaker at the Southampton Princess Hotel dinner, the winner of the Party's cultural award, Mrs. Shangri-la Durham-Thompson.

In her acceptance speech, Mrs. Durham-Thompson said that while she was pleased to be so honoured, she would have preferred for it to have been under different circumstances in the light of the realities facing the Party.

The Royal Gazette understands that although Mrs. Durham-Thompson was given a standing ovation, one member of the audience, Senator Jennifer Smith, told the young Party supporter that she was disappointed by her lack of enthusiasm.

GOVERNMENT, LABOR IN SECRET ECONOMIC FORUM MEETING

Hamilton THE ROYAL GAZETTE in English 6 Nov 84 p 2

[Text]

Government and labour held the first meeting of the Economic Forum last week --- but details about what was discussed then or what's likely to be discussed during any of its future twice-monthly sessions will probably not be made public. Finance Minister the Hon. Clarence James said yesterday.

Last week in the House of Assembly, Dr. James said the Economic Forum is the correct place for Government and trade unions to work together to solve the economic problems facing the Island.

The first meeting of the newly-created Forum was held last Monday, with Finance and Statistical Department officials in attendance along with representatives of the Bermuda Monetary Authority, and the Chamber of Commerce.

On the labour side were the Bermuda Industrial Union, the Amalgamated Bermuda Union of Teachers, the Bermuda Employers Council and the Public Service Association.

The Minister and members of the statistical department spoke during the one-hour session about the current economic situation facing Bermuda, "and statistics regarding labour management contracts," said Dr. James.

However, he refused to elaborate further on the proceedings of the meeting or to say whether the Forum is likely to produce a cooperative Government-labour effort to tackle problems threatening the Island's prosperity.

"I would jeopardize any success of the Forum by making any comments on the union's position or the management's position," he said.

"These meetings are closed meetings very much like labour negotiations when you have both labour and management present," he added.

"How could we have a successful dialogue if we discuss these things publicly?"

HOTEL DISPUTE SPARKS UNION OUTCRY, SIT-IN BY WORKERS

Row Over Jobs Promise

Hamilton THE ROYAL GAZETTE in English 26 Oct 84 p 1

[Excerpts] Club Mediterranee warned yesterday the 200 jobs it has promised to Bermudians if it takes over Loews Bermuda Beach Hotel will not necessarily go to unionised Loews workers.

"What we are saying is that we are going to offer 200 jobs to Bermudians. It is a little different," said M. Jean-Pierre Garnier, project manager for Club Med in the current negotiations.

But BIU boss Mr. Ottiwell Simmons, MP, insisted yesterday that the union would fight for job security for the Loews hotel workers, who lose their jobs when the hotel closes on Wednesday.

"M. Garnier should clearly understand, his takeover cannot mean that hotel workers at Loews will be out of jobs," said Mr. Simmons. "If that is their position, then they will have to talk to us directly.

"Job security is on top of the priority list. I am saying that job security is top priority."

Both men made their comments as Club Med continued its negotiations with Loews for the purchase of the troubled hotel.

Workers' Concern for Future

Hamilton THE ROYAL GAZETTE in English 27 Oct 84 p 1

[Excerpt]

Bermuda Industrial Union president Mr. Ottiwell Simmons MP last night blamed frustration for a lightning strike which hit the troubled Loews Bermuda Beach Hotel.

He said nearly all workers at the East End hotel walked out for nearly an hour when anger over a lack of

information about their future boiled over.

"People are just wondering about their future and about job security" he said.

"There was a brief stoppage due to frustrations over the lack of information from the new owners and the present managers on the future of the hotel."

He said the union was still to hold talks with Club Mediterranee who are negotiating to take over the hotel which is due to close down with a loss of 300 jobs on Wednesday.

"I understand there are still talks between all parties other than ourselves although we now have a dialogue between all parties concerned," he said.

Simmons Instructions

Hamilton THE ROYAL GAZETTE in English 31 Oct 84 p 1

[Excerpts] Bermuda Industrial Union members will tonight occupy Loews Bermuda Beach Hotel in a bid to force management to spell out the fate of more than 250 jobs.

The troubled East End hotel is due to close today but BIU president Mr. Ottiwell Simmons said Loews' management had not told unionised staff what would happen to their jobs.

"Workers don't know if they are being laid off or having their employment terminated," he said. "There's something very strange about that Club Med transaction."

The BIU is telling staff at Loews to stay in the hotel once the last tourists have checked out.

The union boss said workers had a right to know what was happening to their jobs.

"The staff has stuck by that hotel in good and bad times," he said.

"The staff will occupy the hotel if there are no tourists to occupy it," said Mr. Simmons. "If there are no managers to run it the union will run it."

Continued Employee Action

Hamilton THE ROYAL GAZETTE in English 6 Nov 84 p 1

[Excerpt]

About 90 former employees of Loews Bermuda Beach Hotel wound up day five of a severance-pay sit-in at the resort — the only visible sign of action at the closed hotel whose future remains unsettled.

Since the hotel closed its doors November 1, officials

of the American Loews Corporation have met with hotel managers, and hotel employees have held a lobby sit-in to draw attention to the question of redundancy pay.

But details about their future or the state of nego-

tiations to sell the hotel to the French vacation group Club Mediterranee are sparse.

In a statement released late yesterday, Tourism Minister the Hon. Irving Pearman said he hopes the future of the hotel will be sealed within several weeks.

But he did not provide details on how far negotiations between Loews and the Club Med group had progressed.

Union Demand for Benefits

Hamilton THE ROYAL GAZETTE in English 1 Nov 84 p 13

[Text] Government funds should be used to pay benefits to the unemployed, Bermuda Industrial Union chief Mr. Ottiwell Simmons MP said yesterday.

"I say society owes these people the right to a reasonable standard of living," he said.

And he attacked as totally inadequate the existing Government scheme of benefits for those who cannot support themselves, saying: "You've got to be in the gutter to qualify, and what they give you only holds you at the level of the gutter."

He said the threat of unemployment facing 300 and possibly as many as 550 hotel workers at Loews and Castle Harbour meant the Government had to face up to its responsibility to look after the jobless.

"The money is already there, contributed by way of the workers' labour and production through the Employment Tax. Government shouldn't be allowed to forget the workers.

"I'm coming to the conclusion that no one cares for the workers who are un-

employed as a result of a decision of someone else, be it the Government or their employer," Mr. Simmons said.

Mr. Simmons' call for some sort of payment received backing from a long-time advocate of unemployment insurance, Bermuda Public Services Association head Mr. Eugene Blakeney.

But Home Affairs Minister the Hon. Sir John Sharpe said Government policy on benefits would not change — the priority would be to find different jobs for those who were unemployed.

"Our thrust will be to find alternative jobs for those people. In the meantime, there is a Government system to provide support for those for those in need," he said.

"In the longer term, the manpower survey indicated there are almost 1,200 unskilled jobs in Bermuda presently filled by non-Bermudians. So, there is a reservoir of jobs there that, in due course, could be available to Bermudians if they want to consider them."

Bermuda has never had an unemployment insurance scheme. But the Government does run a benefit scheme through the Social Services Department which gives money and help to those who cannot support themselves.

Mr. Simmons said the scheme was no use to the person who had some money but no job.

"There is no assistance for the unemployed person owning a car, for instance. In order to qualify, they got to sell that car and spend the money they get for it.

"Now we've a crisis with jobs being lost, it compounds that position for the unemployed and it gives more power to our argument that the Government should have had the foresight to put aside money," he said.

Mr. Blakeney said the Government would now have a substantial amount of cash to help the unemployed if it had reacted to union pressure for a fund.

TOURIST ARRIVALS DOWN 13 PERCENT IN FIRST 8 MONTHS OF '84

Hamilton THE ROYAL GAZETTE in English 25 Oct 84 pp 1, 3

[Text]

Bermuda's tourist industry has been socked by a 13.2-percent drop in visitor arrivals over the first eight months of this year — but Tourism Minister the Hon. Irving Pearman is optimistic the situation can be reversed.

As the key summer tourist season dawned this year, a hang-over from the worldwide recession and a strong US dollar were being blamed for a decline in the number of tourists visiting the Island.

That trend apparently continued through July — when regular visitors declined by 10.1 percent from the same month last year — and August, in which visitor numbers fell by four percent.

Mr. Pearman said in a release announcing the figures that the "Super Dollar" has made Europe, American travellers, and Bermuda tourism, as a consequence, has suffered.

But while the overall decline in visitors is continuing a downward trend begun in 1980, he added, he is "not discouraged."

An influx of new capital into Island hotels and a heavier schedule of cruise ship stops for 1985 should help reverse that trend over the next few years, he said.

"I am optimistic," he told *The Royal Gazette*. "We do feel that the cruise ship arrivals will definitely enhance tourism next year."

In the meantime, however, the Department of Tourism was continuing an all-out drive to market the charms of the Island to potential visitors in the United States.

The figures released yesterday show that the number of people visiting the Island up to the end of August fell 12,261 short of the number arriving to the same point last year.

Altogether, Bermuda had 64,484 visitors in July and 66,966 visitors in August.

In July, normally a busy month for arrivals, the number of "regular" visitors, who arrive by plane and tend to use Island hotels, fell 10.1 percent. August, however, showed a less drastic four-percent decline.

For cruise ship passenger arrivals, July was the healthier month, showing declines of just 1.2 percent — while August was marked by 23.1-percent drop in arrivals from the same period in 1983.

CUT IN GOVERNMENT CASH FOR INVESTMENT HURTS MONETARY FUND

Hamilton THE ROYAL GAZETTE in English 25 Oct 84 p 17

[Text]

A multi-million dollar cut in Government cash available for investment has put a large dent in the balance sheet of the Bermuda Monetary Authority (BMA), according to unaudited figures released by the Authority this week.

The figures show that the BMA's assets and liabilities have fallen 25 percent by the end of June this year — down to \$45.9 million from \$61.3 million for the same period last year.

BMA general manager Mrs. Lucelle Cooke told *Business Week* yesterday that the lower balance sheet value is due to a "considerable reduction" in the amount of money placed with the Authority by the Accountant General.

She said the BMA's deposit liabilities had dropped to \$10 million from \$25.2 million last time.

"Most of this is from the consolidated fund which the Accountant General places with us for investment," she explained. "This excludes pension, social security and health funds. It is just Government's house-keeping money which we look after when it is not needed immediately."

Mrs. Cooke said the markedly lower balance sheet value reflects recent cautions on the state of Bermuda's economy by Finance Minister Dr. the Hon. Clarence James.

Dr. James has warned that the Island's reduced earnings from tourism, coupled with slower growth rates

in other sectors of the economy, could combine to produce a balance of payments deficit by the end of the financial year. In an effort to improve the country's finances, he has called for a 10 percent cut in Government spending, a freeze on the creation of new Civil Service jobs and delays in capital projects, such as Bermuda's planned sports stadium.

A spokesman for the Accountant General said yesterday that his department now has less than \$5 million with the Monetary Authority compared to a \$21 million surplus at the end of fiscal 1983.

But he pointed out that it has been clear for some time that much of this surplus had been built up through delayed projects and that it was only a matter of time before it was spent.

"A lot of that planned spending has now taken place which is why there is now less money from the consolidated fund with the Authority," he said.

Mrs. Cooke said that since further reductions are likely in consolidated fund deposits held by the BMA, she expects to see a "substantial drop" in the Authority's 1984 earnings.

"A good deal of our earnings come from this source so our year-end figures are certain to be affected," she added.

■ The BMA's profits fell to \$1.3 million for the year to December 31, 1983, down from \$2.4 million in 1982.

BRIEFS

AUTOMATED FUTURES EXCHANGE--Bermuda yesterday became the centre of international attention when Premier the Hon. John Swan switched on the Intex automated futures exchange at an opening ceremony broadcast live over at least one US television network. At the touch of a button and with the quip "I wouldn't mind getting a piece of this action", he linked overseas traders with the world's first fully-computerised financial market which its backers claim could revolutionise present trading methods. Within minutes of the opening, dealers in New York, London and Chicago began entering multi-million-dollar bids and offers in to the system. Mr. Swan described the Bermuda-based scheme as a classic example of moving the mountain to Mohammed because it allowed futures deals to be struck on computer terminals rather than on a trading floor. The exchange, which will generate at least \$100,000 a year in Government taxes, has opened with gold futures contracts but will soon be expanded to include long-term US Treasury bonds and ocean freight rates. By 5 p.m. yesterday when the exchange closed for thenight, 141 gold contracts worth about \$5 million had been completed at prices ranging from a high of \$342.80 to a low of \$339.80 an ounce. [Text] [Hamilton THE ROYAL GAZETTE in English 26 Oct 84 p 6]

CSO: 3298/166

POLICE CRACKDOWN ON LEFTIST ACTIVITIES DETAILED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 84 p 7

[Text] In an action in several states the Federal Police yesterday arrested tens of persons linked to the Communist Party of Brazil [PC do B], as a result of an investigation made throughout the country. Minister of Justice Ibrahim Abi-Ackel reported in Brasilia that 39 persons had been arrested (he used the term "transported"), 31 in Sao Paulo, four in Salvador, three in Belem and one in Goiana. According to the Commission for the Legality of the PC do B, however, there were arrests also in Minas Gerais, Parana, Rio Grande do Sul and Rio de Janeiro, totalling 70 prisoners.

The arrests in Sao Paulo were mainly in the Social Studies and Research Center [CEPS] at 330 Franca Pinto Street in Vila Mariana.

The Federal Police began the investigation on the basis of Article 25 of the National Security Law, stating that the party was active and obtaining new members. The Federal Police said that 31 persons were arrested, but some prisoners released early in the afternoon revealed that there were more than 40 persons in the offices of the Federal DOPS [Department of Political and Social Order] building on Piaui Street in Higienopolis, where all made statements and answered a questionnaire with 30 questions.

Commissioner Marco Antonio Veronezzi, who was in charge of all the work, explained that he received an anonymous letter on the 19th of this month in which there were details on the operations of the PC do B and that the CEPS was the school for party cadres.

For six days, according to Veronezzi, an examination of all the information received was made "and we confirmed that the accusation made in the letter was true." A plan was made for the execution of a simultaneous operation for yesterday morning. Shortly after 0930, the Federal Police were at Franca Pinto Street, the CEPS, the Workers and People's Culture Institute, Carlos Gomes Square, the office of the PC do B on Genebra Street and at several other places where arrests were made.

Class at the Center

At the Study Center, when the Federal Police arrived, there were 29 people attending a class on Marxist politics, and a lecture on the situation of Brazil was to be given. The course began on 6 October and a large part of those present live in other states, mainly Goias. All paid 120,000 cruzeiros to attend the classes and many of them were living in the Center itself.

Those in charge of the course, according to Commissioner Veronezzi, are Natalino Sorrentino and his wife Sara Komero Sorrentino, who could be indicted under the National Security Law. The others arrested, considered by the police as students of the course, will only have to make statements, and if necessary, they may be called again to make depositions.

At the CEPS and other places, the Federal Police said they seized "abundant material" proving that the PC do B was "really and in fact" operating.

The prisoners were taken to the DOPS of the Federal Police in a bus provided by the Tusa Transit System. The bus stopped at the door of the CEPS. Commissioner Veronezzi explained that study outlines, manuscripts and documents were seized, which proved the activities of the party. At the CEPS, the commissioner said they found a memorandum book with names and addresses. These places were also searched and "abundant material" was also found there. Addresses in Salvador, Belem and Goiana, which were in the notebook, were passed on to the Federal Police Department [DPF] superintendencies of those states, which made searches and found material proving activities of the PC do B.

The chief commissioner of the DPF DOPS gave several explanations to newsmen yesterday about the entire operation and made it a point to explain that no person was indicted and that those arrested at the CEPS, with the exception of the Walter and Sara Sorrentino couple, were only listed as witnesses. The prisoners were heard in preliminary statements and what they said will be analyzed in coming days.

Vice Prefect

"If we believe someone should be indicted, we shall call him and indict him," said Commissioner Marco Antonio Veronezz. Antonio Jose Porto is an economist from Goias, whose name was not on the list provided by the Federal Police. However, Antonio was arrested at the CEPS and interrogated. He was one of the first to leave the DOPS building and said he was asked questions about his membership in the PC do B, whether he had ties with the Association for Brazilian Friendship with Albania, and whether there were practical lessons in the course he was attending. Antonio revealed that the class yesterday began around 0800. They were attending a talk on Marxist politics when the police arrived. "The door was opened violently, a secretary of the center had a book torn from her hands, and we were all advised that we were under arrest and would be taken to the DPF."

Also among those arrested was the vice prefect of Americana, Fernando Pupo, who left the DOPS early in the afternoon. Persons close to him went to the Legislative Assembly and to the office of the secretary of security to try to obtain his release, however, at the Civil Police no one knew about the operation of the Federals and it was not until late in the morning that aides to Secretary Michel Temer handed him a report about what had really happened.

Attorneys and some deputies tried to obtain the release of those arrested, who began to emerge as they finished answering the questionnaire. At lunch time the police offered apples or airport snacks.

The Prisoners

The Federal Policemen provided the list of the following persons arrested: Sueli Lourenco, Antonio Alves da Silva, Walter Natalino Sorrentino, Sara Romero Sorrentino, Jose Maria de Souza, Sesnando Alves de Brito, Fabio Tokarsk, Adalberto Alves Montoro, Robson Ramos Bronco, Jose Carlos Lapenda Figueroa, Luis Carlos Alves, Rogerio Dona Lustosa, Conceicao Maia Nunes, Noemio Bezerra Ferreira Gomes, Lidio Ferreira Rodrigues Nunes, Odete Nadia Cahan, Denise Brandao da Silva, Marcia Aparecida Figaro, Maria Aparecida Martins, Joao Luis Campelo, Ricardo Wagner Garcia, Carlos Olimpio Martins de Carvalho, Edson Osmar Rodrigues Arruda, Jaime de Oliveira Souza, Gregorio Soares da Silva, Mauro Brandao Cargiro, Edson dos Santos de Souza, Frederico Torres da Silva, Joao Clemente Possenato, Francisco Soares Neto and Maria Lucia Solino Veloso.

The minister of justice himself gave the names of those arrested in Salvador: Pericles de Souza, Loreta and Antonio Valadares and one more person who he identified only as "Senhor Olival;" in Belem, Newton Miranda, Raimunda Carlos Coelho and Carlos Castelo Panzzeria; and in Goiania, Luiz Orro de Freitas.

Early that night, the DOPS commissioner admitted that possibly 40 persons were arrested in Sao Pualo but he did not provide the names of the other nine.

Playing Tough with Weapons

Federal Police agents in Salvador yesterday raided several homes and businesses without legal orders, to arrest citizens accused of belonging to the Communist Party of Brazil. They also seized abundant printed material, mainly shirts, plastics, buttons and pamphlets of the candidate of the Democratic Alliance, Tancredo Neves, which the agents considered "subversive." In a house at Almeida Couto Square, where the headquarters of the PC do B is located, according to the PF, the agents went as far as to point their machineguns at persons who protested against the raids by shouting "Maluf to jail." Although identifying himself as the "public relations" officer of the Federal Police, Aerovaldo Andrade participated in the raid and told the demonstrators that it was now "time to play tough."

Aerovalde Andrade sought to explain to newsmen that the arrests and raids in several buildings of the city were ordered "from Brasilia, which in turn was responding to a request by the Federal Police of Sao Paulo, who began an investigation to look into the crime of attempting to organize an underground party. He asserted that "the operation requires no judicial writ," but later said that "the agents brought a legal order."

The branch office of TRIBUNA DA LUTA OPERARIA in Belem was also raided by the Federal Police yesterday, an action which extended to the office of State Deputy Paulo Fontelles (PMDB [Brazilian Democratic Movement Party]) and to the home of alternate councilman Neuton Miranda Sorinho (PMDB). Armed with machineguns, the agents handcuffed and arrested Neuton Miranda and Marco Panzera, legislative aide to Fontelles, at the branch office. The PMDB deputy arrived minutes later and believes that the PF intended to arrest him to prevent his participation in the selection of the Para delegates to the Electoral College. Student Raimunda Coelho was arrested and handcuffed at the home of Neuton Miranda. The police promised to release her last night.

In Porto Alegre and Rio, up until early last night, the report made public in Sao Paulo that the anticommunist operation ordered by Brasilia had resulted in arrests in those capitals also, had not been confirmed.

Anonymous Letter may have Initiated Repression

An anonymous letter sent to Federal Police Headquarters in Sao Paulo revealing the operation of the CEPS--the cadre school of the PC do B at 330 Franca Pinto Street, Vila Mariana--for the past 4 months may have been the reason for the action unleashed yesterday by the DPF in several capitals of the country to arrest persons linked to leftist parties, it was revealed yesterday in Brasilia by sources in the areas of security and intelligence.

According to reports prepared by bodies of those two areas, it was stated by those same sources, the CEPS of the PC do B in Sao Paulo is linked to the Institute of Workers and People's Political Culture Institute (ICPOP), which operates as the central committee of the party. The reports also say that the center has already trained nearly 100 members and that its activities must extend to Para, Bahia and Rio de Janeiro, for which reason the Federal Police also made arrests in those states yesterday. The official in charge of the cadre school in Vila Mariana, identified by the documents of the intelligence community, is Dyneas Fernandes Aguiar, a top official of the PC do B, and one of the teachers is the secretary general of the party, Joao Amazonas.

New Center

Still according to the reports of the security and intelligence bodies, another center of communist action in Sao Paulo, which is operating openly, is the municipality of Campos do Jordao, where the PC do B is holding parallel courses for the formation of the Youth Movement with the involvement of the local prefecture. Since 7 January of this year, the sources declare, a course for cadres has been in operation in that municipality, sponsored by the PC do B Central Committee. Its objective is the increase in theoretical knowledge of its members. The prefecture is allegedly involved by making dissemination material available to the party.

Agitation

Military sources also believe there has been a "reinitiation" of the action of agitators in the Legislative Assemblies because of the selection of delegates to the Electoral College and they express fears that there will be federal interventions as there were in Maranhao. The armed forces, however, still according to the sources, are staying aloof from party politics, but watchful as to compliance with their constitutional mission, although they do not participate in any repressive operations. Even so, the sources also expressed concern at the action of the radicals, which could destabilize the process of succession. In their opinion, that would only increase the domestic difficulties of the country.

An Aloof Army

In Sao Paulo the Commander of the II Army, Gen Sebastiao Ramos de Castro, asserted that his unit had no participation in the operation unleashed early yesterday morning by the Federal Police as a "repression of clandestine entities which have been acting openly, violating the law."

The general said that he knew of the police operation beforehand but disclaimed: "We in the Army have nothing to do with that. It is an operation decided upon by higher orders to the Federal Police, who are subordinated to the Ministry of Justice."

8908

CSO: 3342/36

POSSIBLE CABINET MEMBERS OF NEVES ADMINISTRATION VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 84 p 5

[Article by Carlos Chagas]

[Text] There will be little to say from now on about the elections and the electoral college, with the victory of Tancredo Neves as certain as it is. It is obvious that caution does no one any harm. The campaign of the opposition candidate will proceed without triumphalism, with no more talk of certain success and with continued tours through the states, with meetings and talks with the various party groups, as if the election were to be decided by a single vote. Similarly, little attention is being given the reactions of certain radical and insincere pockets, ever fewer in number, but still ready to attempt to upset the process, to prevent the rise to power of the former governor of Minas Gerais and even to promote a coup, if conditions allowed.

What has been under discussion for some days now is the government of Tancredo Neves. What will it be like, what will inspire it, what projects will it launch and what individuals will be summoned to serve. The candidate is not expected to make more than generic statements, both regarding individuals and projects. The latter will be set forth in general terms, for the time being, since it is only after taking his seat in the presidential chair that Neves will be in a position to know what resources are available to him, and where individuals are concerned, who would accept and who would be capable of carrying out the main government functions, a still more difficult matter. If the candidate has some ideas, he will have to keep them in the most hidden corner of his mind, for it is time now for unity, not division.

The silence of the next president of the republic, however, does not prevent talk, inferences and speculation on the part of various groups close to him, as the personal opinions of those expressing them. As these are being voiced, they are worth summarizing, on the personal level now, at least with a view to foreseeing the future, whether or not they are confirmed later.

Throughout all of his public life, the former governor of Minas Gerais has tended toward personalized, although not centralizing, decisions. He delegates, he listens, he seeks and accepts advice, but the last word is usually his on the more delicate matters. Therefore the head of his Civilian Household will not, as Prof Leitao de Abreu does today, combine the administrative leadership of the ministry and the political coordination of the cabinet. These two tasks will be carried out by Tancredo Neves himself. Despite this,

he will lean very heavily on the chief of his Civilian Household, a post which according to present guesses would go to Alfonso Camargo Netto, or failing that, Roberto Gusmao. Both men are quite familiar with the leader's style and would adapt to it.

The same is true in the economic sector. Although he is a lawyer who has no degree in economics, the successor to General Joao Figueiredo understands economics and finance as few men do. He will not delegate the decisions on major guidelines, and even some details of economic policy. As to who will aid him in this sector, opinion is divided. Some say that the Ministry of Finance will regain its old ascendancy over the Planning Secretariat in control of the economy. Two names mentioned for the finance post are those of Olavo Setubal and Helio Beltrao, while a more academic and theoretical appointment is expected for the planning post, such as Celso Furtado, who might also be given the Ministry of Culture if the Ministry of Education is divided. This would even serve as a way of balancing political concepts in such a way as to please the center and the left. There is considerable reaction however to mention of the former prefect of Sao Paulo, less because of the directives he might issue and implement than because of the future leadership of Sao Paulo. In a strong ministry, if success is achieved in dealing with the serious economic bottlenecks, Setubal would win credibility as a candidate, which would not please Fernando Henrique Cardoso, Severo Gomes or even Ulysses Guimaraes. They are pursuing the equation in the other direction, noting that a banker would not be suited to the new era, but it comes to the same thing. Also, another hypothesis is put forth: that Tancredo Neves might choose a technician to command the economic sector. Regerio Mitraux, Ronaldo Costa Couto, Francisco Dornelles, Bresser Pereira--various names are suggested. Nor is it excluded that another banker, Walter Moreira Salles, might be tapped, but it seems more likely that he would be assigned a special ministerial task, that of renegotiating the foreign debt. He has already carried out such a task, in 1960-1961, successfully. He is one of the closest friends of Tancredo Neves and he served in the finance post under the first parliamentary government. The other economic ministries are likely to have heads appointed on the basis of political choices. Parliamentarians, former parliamentarians or even governors from this or that group which is now supporting the candidate would be appointed to head the ministries of industry and commerce, mines and energy, agriculture and transportation and public works. But there is a peculiarity here: the political factions will be represented, but no one will dictate by which individuals. The new head of the government will select them personally, and will not welcome single suggestions, much less specific dictates.

In the social sector, the Ministry of Interior will be the key post, which may possibly be given to a representative of the Northeast. Why not one of the present governors in that region? A return to the tradition of giving the Ministry of Education to a representative of Bahia, perhaps Roberto Santos, is a possibility. There will be a Ministry of Culture, and a likely appointee, along with Celso Furtado, is the present secretary of culture for Minas Gerais, Jose Aparecido de Oliveira.

The political sector as such will represent an important decision. As he did in Minas Gerais a short time ago, but also as he did as prime minister,

Tancredo Neves will personally coordinate this sector. The successor to Ibrahim Abi-Ackel is likely to be someone more committed to the work of reorganizing the juridical-institutional system than party relationships. There is talk of Paulo Brossard, although Ulysses Guimaraes is not excluded.

However, if the president of the PMDB [Brazilian Democratic Movement Party] is appointed to the Ministry of Justice, he will face an uncommonly acute complex of political-party problems. Would he continue to head the party? Possibly not, but in view of the more than natural reactions on the part of factions in his own group dissatisfied with the government, how would he conduct himself? Would he become a critic of his party colleagues or a critic of the government? For this reason there is speculation that the role carved out for Ulysses Guimaraes, who is certainly the strongest support of the Tancredo Neves candidacy today, and a man whom the candidate will need to thank for the success of his campaign as he would few others, would be the Ministry of Foreign Affairs. Known and respected even outside Brazil, with a talent for international dealings and meetings, he would have no difficulty in continuing to pursue the developing Third World line, which should not be altered. Senators Marco Maciel and Fernando Henrique Cardoso, as well as former deputy Renato Archer, are also possibilities for the Itamaraty Palace. If the solution were to be the choice of a career diplomat, someone within the foreign service family, it could be any one of a dozen ambassadors who learned in their infancy to spell out "Tan-cre-do" rather than "Ivo-viu-a-uva."

The military sector poses a delicate problem, but not a difficult one. The armed forces are entirely ready to respect the Constitution and to accept the decision made at the polls. And the candidate has already talked boldly, although circumspectly, with the generals and admirals. He has the explicit endorsement of Third Army Commander Leonidas Pires Goncalves, Fourth Army Commander Sa Freire de Pinho, Ademar da Costa Machado, military commander of the Amazon Region and Cerqueira Lima and Ivan de Souza Mendes, who head departments in Brasilia. Unless we are mistaken, one of them will be appointed minister of army. If Ademar da Costa Machado is given this post instead of Leonidas Pires Goncalves, the latter will serve in another high post, for example as chief of the Armed Forces General Staff. There will not be the slightest problem in the air force or the navy. The majority of the higher naval ranks support the candidate, and all of the air force generals are following the line of Minister Delio Jardim de Matos, who can name his successor unless he does not want to.

Appointing the head of the SNI [National Service for Intelligence] will be more difficult. Tancredo Neves has never contemplated eliminating this body, but only wants to reduce its inflated influence on national life. It has never entered his head to appoint a civilian, much less a leftist, as the current members of the intelligence community have absurdly and desperately insisted, using this formula as a pretext for reinflating the collapsing coup and regression balloon. If there is one attribute which does not characterize Tancredo Neves it is naivete. He knows that any democracy must have tools for its own defense, and that an intelligence structure is essential. He might ask his military ministers to suggest some candidates or he might

also choose a military officer like General Rubem Ludwig, who is respected in all sectors, although he was highly placed under the Joao Figueiredo government. There will be no problem in appointing the head of the Military Household. Tancredo Neves will choose a young brigadier general of the more modern sort without political affiliations or any participation in the activities linked with the regime still in office. And, if possible, a native of Minas Gerais.

Apart from the names already mentioned, there are other possible ministerial candidates, some more obvious even than others, but it is too soon to place them here or there. In the Liberal Front, there are Helio Beltrao, Antonio Carlos Magalhaes, Jorge Bornhausen, Guilherme Palmeira, Wellington Moreira Franco, Thales Ramalho and Israel Pinheiro Filho. In the PMDB, there are Fernando Lyra, Carlos Cotta, Pedro Simon, Severo Gomes, Freitas Nobre, Sinval Guazzelli, Paulo Lustosa, Egydio Ferreira Lima and dozens of others, and in the smaller parties, Roberto Saturnino, Branco Monteiro, etc.

It is worth reiterating in conclusion that all of this is speculation, because no one can do more than speculate, and even so it is a purely personal matter. It is the habit of Tancredo Neves to maintain not only his privacy, but also to keep his thoughts and his decisions to himself until the moment for implementing them arrives.

5157

CSO: 3342/35

ECONOMIC CRISIS ALLEVIATES DEMOGRAPHIC PRESSURE IN SAO PAULO

Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Oct 84 p 25

[Article by Ulisses Capozoli: "Economic Crisis Alleviates Demographic Pressure in Sao Paulo"]

[Text] Despite the lack of statistics which give the quantitative size of the process, the theory which explains it is traditional: In times of crisis the interior is always an alternative to the cities as a place to live.

In the case of Brazil, where during the period of the "economic miracle" urbanization took place in an unbridled and excessively rapid manner, it was to be expected that an ebb in production would cause demographic readjustments, primarily with respect to the cities. In Sao Paulo, the traditional assimilator of the migratory movement from several regions of the country, including from the interior of the state, the trend has been, since the reinitiation of the crisis, a reduction in the rate of those who arrive and an increase, although slower, in the movement of those who leave, according to figures from the Center for Screening and Guidance (CETREM) of the Secretariat for Social Welfare.

Meanwhile, contrary to that which happened in previous periods, when due to a number of conditions--primarily abundant rainfall in the dryer regions of the Northeast--it was the lower income migrants who were returning to their places of origin, now groups of middle class people are exchanging the large city for the bucolic comfort of the interior.

New Awareness

Demographer Roberto Nascimento Rodrigues of the Data Analysis State System Foundation (SEADE) admits that in addition to the loss of jobs, urban violence, cost of living and a complex number of other data, a new social awareness is beginning to appear. It is noticeable primarily among liberal professionals, who felt proud of the status conferred by a university diplomate up until a short time ago. However, they are now willing to make a career change in exchange for a more tranquil and happy life far from the large cities.

Statistician Antonio Benedito Marangone Camargo, also from SEADE, says that even with this return to the interior, the process of urbanization initiated in the decade which ended in 1970, when for the first time the urban population exceeded the rural (55.92 percent of the 93 million inhabitants), is irreversible. What has happened is that the medium and large cities of the interior have changed greatly and today offer an infrastructure of services almost as efficient as that of the capitals; all this without losing many of the community characteristics which distinguish them from the aggressive and competitive life of the capitals.

Master of his own Life

It was in search of lost time--and for that which he no longer wants to lose--that architect Hermann Btatsch jumped into an adventure he would have never imagined possible a few days ago in the day to day monotony of Sao Paulo. Without time to visit his friends, seeing few moving pictures, fed up with lines, and primarily without any job stability, the architect heard talk about Apiacas in the district of Alta Floresta in Mato Grosso at a gathering of friends who were discussing the new gold rushes on the changing frontiers of the West. From that conversation to a plan and the decision to move to Apiacas things moved very quickly, said Hermann a few days ago at the studio of a painter friend in Sao Paulo. The architect embarked on his adventure on 23 September. He is planning and will share in the construction of a hotel in Apiacas in partnership with another two persons who are still in Sao Paulo. Hermann, however, does not intend to make a career of the hotel business. The establishment will be only one point in the settlement of some good hectares of land he intends to cultivate in the future with his wife, Silvia Sugiohara, who is still in Sao Paulo.

Silvia should leave either in December or January. She received a letter from Hermann this week in which he complained about the swarms of buffalo gnats but he was not weakening in his decision to help to "tame the West." Also an architect, Silvia is already feeling the effects of a new future in life. In her work, the everyday stresses no longer affect her much. She says that she is not fleeing the city. She intends to return frequently to resupply herself with books, see old friends again, and become up to date with new moving pictures. After all, Apiacas has only 1,500 inhabitants and is only 1 year old, lacking a number of urban benefits.

Fear of Adventure

Paulo Boulos, a mathematics professor of the University of Sao Paulo [USP], has already obtained a good house to rent in Sao Jose do Rio Pardo, where he was born 42 years ago and where he lived until the age of 17. The house he has found, but his other plans have not come true as he had been dreaming. Professor Boulos is stable in his job at the Institute of Mathematics and Statistics. Since he has a family, he does not believe he has the right to take a chance as Hermann and Silvia have done. Silvia is going to have her first child in Apiacas.

Like the young architect couple, the family of Professor Boules also wants to "live happily with time to have a little fun," as he explains, far from the mad rush and disagreeable attempted robberies of which they have been the victims. If he had to wait for retirement, Professor Boulos could not realize his dream in fewer than 10 years, but he believes this period is too long. He prefers to look for a job that will give him the safeguards, similar to those he enjoys in the USP, in a university or company in the interior. For this he would have no doubts about packing his bags and saying goodbye to the big city. According to his plans, the professor would only return to Sao Paulo to supply himself with possible necessities not found in the interior, such as books, theater, cinema, but this would be done only sporadically.

If he were to listen to the opinion of Criminologist Decio de Toledo Junior, who 3 months ago moved to Ribeirao Preto, Professor Boulos would certainly renew his hopes. After 10 years as director of FEBEM [State Child Welfare Foundation], the criminologist changed careers and only comes to Sao Paulo to buy the incomparable Calabrese Calabrian sausages of Bixiga, where he was born 37 years ago. Decio is owner of the Dolce Vita restaurant in Ribeirao Preto and he wants no other life.

Toledo Junior only knew Ribeirao Preto "when I passed through because there was a FEBEM unit there." As far as the small adventure in which he is involved, however, he is expecting "an eternal happy ending, up to now everything points to that."

Return to the Northeast

Although he had already heard some comments on the movement to the interior, Luis Scarabichi, manager of Riachuelo Transports which specialized in residential moving, up to now has noticed no effect on his company. What he perceived very clearly was a decline in temporary moves made by engineers and other technicians, who in good economic times were employed in public works in the interior. With the crisis, those works decreased and so did the earnings of the moving company. Already on the way to the Northeast, however, Scarabichi has no doubt that there has been an increase in movement, although he does not have the figures that will explain this new phenomenon.

Tragedy of Unemployment

However, for the poorer people who pass through CETREM, social worker and adviser to the directorate, Carmen Julia Almansa de Moraes, has a prosaic but more definitive explanation for the movements of return to their origins: the lack of jobs. Since the middle of 1981, when the economic crisis began to take form, she says that the profile of those who use the services of the CETREM began to change. At this time the largest number of those coming there are not beggars, indigents or wandering vagabonds, but unemployed workers and their families. Carmem has witnessed pitiful cases of workers, who after losing their jobs, sell all their belongings, including their

**ESTADO DE SÃO PAULO. GERAÇÃO DE NOVOS
EMPREGOS, SEGUNDO REGIÕES ADMINISTRATIVAS**

	1976	1977	1978	1979	1980	1981	1982
GRUPO 1	209.532	189.960	294.749	231.880	249.936	103.457	156.673
Grande São Paulo	283.565	180.803	283.420	199.748	220.786	96.436	144.998
Litoral	11.119	1.080	10.596	19.862	18.580	472	4.279
Vale do Paraíba	14.848	8.077	20.633	12.276	10.570	7.443	7.446
GRUPO 2	85.906	60.087	66.593	65.222	78.084	16.511	36.250
Campinas	63.102	46.831	45.256	50.087	42.447	14.077	19.920
Ribeirão Preto	22.798	13.246	21.337	15.135	35.637	2.454	16.333
GRUPO 3	23.483	12.924	25.606	20.478	21.298	545	17.496
Sorocaba	13.342	6.375	16.121	10.320	13.900	1.927	12.201
Bauru	10.141	6.549	9.485	10.158	7.398	1.382	5.295
GRUPO 4	18.138	14.162	23.475	18.550	25.302	1.731	20.720
São José do Rio Preto	7.831	6.104	8.276	6.109	6.203	2.033	7.946
Araçatuba	2.677	1.802	4.611	3.523	6.161	4.530	3.082
Presidente Prudente	1.499	3.436	4.907	4.235	7.375	3.061	5.461
Marília	6.131	2.820	5.681	4.683	5.563	1.167	4.781
ESTADO	437.053	277.133	410.423	336.136	374.620	118.782	231.142

Fonte: Fundação Seade

State of Sao Paulo: Creation of new jobs according administrative regions

**ESTADO DE SÃO PAULO: SALDO MIGRATÓRIO, VALOR DA
TRANSFORMAÇÃO INDUSTRIAL, VALOR DA PRODUÇÃO AGRÍCOLA
E PRODUÇÃO PECUÁRIA, SEGUNDO REGIÕES ADMINISTRATIVAS**

EM %	SALDO MIGRATORIO 1970-80	VALOR DA TRANSFORMAÇÃO INDUSTRIAL (1979)	VALOR DA PRODUÇÃO AGRICOLA (1979)	VALOR DA PRODUÇÃO PECUÁRIA (1980)
GRUPO 1	2.982.446	12.95	3.08	1.02
Grande São Paulo	2.263.103	64.33	0.83	1.35
Litoral	186.960	4.15	1.44	0.39
Vale do Paraíba	132.385	4.47	0.81	5.28
GRUPO 2	753.562	14.61	47.43	23.22
Campinas	632.975	15.28	19.37	10.54
Ribeirão Preto	120.587	4.33	28.06	12.68
GRUPO 3	132.113	4.97	18.69	15.84
Sorocaba	115.470	3.81	12.14	9.56
Bauru	17.223	1.16	6.55	6.26
GRUPO 4	454.382	7.48	30.81	53.94
São José do Rio Preto	88.647	0.84	12.98	13.88
Araçatuba	102.342	0.40	1.80	14.10
Presidente Prudente	153.450	0.52	0.54	6.18
Marília	110.643	0.72	8.49	4.31
ESTADO	3.214.142	100.00	100.00	100.00

FONTE: Seade - "Mov. Registro Civil" 1970 a 1980. Perfil Municipal 1981 e 1982.
IBGE - Censos Demográficos 1960 e 1980

Key:

1. State of Sao Paulo: Total of migration, value of industrial production, value of agricultural production and livestock production
2. In percentages
3. Total of migration 1970/80
4. Value of industrial production (1979)
5. Value of agricultural production (1979)
6. Value of livestock production (1980)
7. Sources: SEADE, Civil Register 1970-1980, Municipal Profile 1981 and 1982.
8. Brazilian Institute of Geography and Statistics: Population Census 1960 to 1980

automobile in an attempt to support themselves but they wind up in the line at CETREM in search of a ticket to the interior of the state and other parts of the country. Figures for August this year, for example, showed an increase of almost 60 percent in the granting of tickets, compared to a like period last month. That is also the reason for the need to increase the operational budget of the organization from 120 million cruzeiros to 150 million cruzeiros. Even so, says Carmem, that will not cover expenses past November.

Working with SEADE figures, Demographer Roberto Nascimento Rodrigues makes a quick statistical review of jobs and shows that from the 437,053 jobs created in Sao Paulo in 1976, there was a decline of almost 50 percent in 1982, when only 231,142 jobs were created, not taking into consideration that in 1981 no fewer than 118,782 jobs were abolished.

The demographer does not have more recent figures but the National Employment System (SINE), revealing the statistics for last July, showed that the employment rate rose 3.66 percent by comparison with August 1983 in overall terms. These are comforting figures, says a technician of the organization "but very far from what is needed to reassimilate the existing mass of unemployed and to give jobs to those who are becoming candidates for their first job."

8908

CSO: 3342/36

ECONOMISTS CONFLICT ON APPROACH TO DEBT RENEGOTIATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 84 p 46

[Text] Rio de Janeiro--Given the uncertainty of the international situation and the low level of Brazilian reserves, the government cannot allow itself the luxury of refraining from asking creditor banks to supply new money for 1985, as a part of the foreign debt renegotiation process which will begin again now.

This warning was issued by economist Paulo Nogueira Batista Junior of the Monetary and International Studies Center of the Getulio Vargas Foundation (FGV), when he expressed his views about the prospects of a new round of negotiations with its creditors for Brazil concerning the foreign debt of about US\$100 billion.

"Even before the renegotiations begin, Brazil has already conceded the main point, because it was found that there was resistance on the part of foreign commercial banks to supplying Brazil with new resources in 1985," Paulo Nogueira Batista said. He added that the creditor banks have the feeling that they gave "too much money" to Brazil on the preceding round. He believes that the new government will have to take over the country in March of 1985 with a "very tight" balance of payments situation, which will make the management of this economic and financial policy item difficult.

According to Paulo Nogueira Batista, Brazil should end 1985 with \$3 billion in total liquid reserves, including therein the foreign assets held by the Central Bank (BC) and Bank of Brazil (BB) (gold, dollars and convertible currencies), after deduction of the short-term commitments of the BC and the BB to foreign creditors, plus commitments to the IMF.

As there should be an overall balance of payments deficits of \$2 billion in 1985, Brazil would end next year with net reserves of \$1 billion, because it will not be receiving \$2 billion in new loans supplied by the creditor banks. According to Paulo Nogueira Batista, the country may be in danger of ending 1985 even with zero reserves, insofar as some unexpected blow may come from outside or there may a negative fluctuation in some variable beyond the control of the Brazilian government.

And he further notes that if \$3 billion in net reserves represents only 3 percent of the total foreign debt, it would be much worse in terms of the country's vulnerability of these reserves were to drop to only \$1 billion, or even ceased to exist.

This FGV economist does not assign great importance to the postponement of the amortization payment period on the foreign debt principal falling due between 1985 and 1989, because the multi-annual arrangement for such payment projects what is happening now into the future.

In his view, doing without new foreign loans in 1985 may also aggravate the current account deficit foreseen for next year, because it has been assumed that the resumption of development will require an increase in imports, thus reducing the trade balance surplus, which should come to about \$10 billion.

The Mexican Example

In the opinion of UNIBANK Vice President Marcilio Marques Moreira, Brazil is following the path blazed by Mexico. The renegotiation conditions, he says, will give the next government "minimal tranquility" for the management of the country's foreign debt. Although it creates a de facto situation, renegotiation with the creditor banks may involve steps which can be adapted by President Figueiredo's successor, the vice president of UNIBANK admits.

Marcilio Moreira also believes that the government is right in refraining from asking for new money in 1985, in order to balance its foreign accounts. According to his estimates, Brazil should have a current account deficit in 1985 of \$3.2 billion, which could perfectly well be covered without need for a new "jumbo loan" contribution.

That deficit can be covered, according to the vice president of UNIBANK, in the following fashion: \$800 million, by direct investments; \$1.6 billion, from a part of the IMF loan; \$1.6 billion from resources, previously arranged, obtained from international bodies; \$300 million, from an increase in credit lines; and about \$400 million from bilateral government bodies such as the EXIMBANK. Thus Brazil could obtain resources for 1985 totaling \$4.7 billion, money cheaper than that which would be requested of creditor banks, and this would still provide a surplus of \$1.5 billion to be used to improve the Brazilian reserve position.

The vice president of UNIBANK regards the conditions already set forth by the Brazilian authorities for renegotiation with the creditor banks as good, in principle, beginning with the rescheduling, over 14 years, of all debt amortizations falling due between 1985 and 1989, involving about \$55 billion, the payment of which should be made during this period.

Contradiction

Carlos Alberto Conenza, an economist at the Federal University of Rio de Janeiro, believes that any scheme for renegotiating the foreign debt on the basis of conditions different from those accepted to date by Brazil must inevitably be subordinated to a long-term development program. "We should not concern ourselves about the payment of the debt before drafting such a program," this economist says. "Payment of the debt will only be viable if we can grow."

This economist says that our country must at all costs prevent the debt problem from dictating economic development, and it must accumulate more bargaining power with international creditors. He says that not even the trade surplus of \$12 billion expected for this year can provide the conditions needed for the reformulation of the terms for the negotiation of Brazil's debts abroad.

And he stresses that "there was a contradiction between the policy of accumulating trade surpluses and the monetarist approach to combatting inflation, which tends to use up these surpluses." In his view, the recent steps taken by the National Monetary Council with a view to liberating imports are an example of this contradiction. This measure, according to Cosenza, is designed among other things to keep a part of the cruzeiros which would normally be in circulation, exerting pressure on inflation, in the hands of the government, or in other words to use the exchange of these used-up dollar reserves for imports to reduce the inflationary pressure created by the existence of these reserves. The liberation of imports, Cosenza adds, has another negative parallel, from the point of view of domestic development. That is the weakening of the industries which thus far have been replacing the products and supplies the import of which was blocked, mainly in the capital goods sector.

Short Term

In the view of economist Jose Alfredo Lamy of the Boavista Bank, an expert in the foreign trade sector, the period for which the current government is seeking to obtain reformulation of the bases for renegotiating the foreign debt for the coming years is very short. "The country needs a long-term plan, and at the most, the current administration may gain a few points with minor adjustments to the negotiation schemes." In his opinion, the adoption of a multi-annual plan for amortizing the debt principal is not the most important problems and is not the present concern of the international bankers. "The main thing is the payment of interest and the steps necessary to prevent future surprises on the international market," this economist says.

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CSO: 3342/35

LABOR EXPERTS VIEW GENERAL CLIMATE IN SECTOR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 84 p 49

[Article by Itaborai Martins]

[Text] What does a Maluf supporter in the trade union movement think about the more open political approach? And what does a Neves supporter think the Ministry of Labor should do after his election, which is more than probable, on 15 January? Both individuals are familiar with the labor sector in the state of Sao Paulo, which can be assessed in terms of the following figures: 12 million workers (8 million men, 4 million women; 10.8 million urban workers; and only 1.2 million rural workers) and 3 million unemployed. In this year just ending, which from every indication is likely to be the last in the "cycle of generals," there were in the state of Sao Paulo alone 400 strikes in round numbers, a record total for all time, far in excess of the 263 strikes throughout Brazil which had occurred by the end of 1963, the last year of the "cycle of civilian presidents."

Yet another observation, before we introduce the Maluf and Neves supporters. That is that in this "wage harvest," ending with the very last year in the "cycle of the generals," it has become almost standard practice, in the sectors where the trade union movement linked with the Workers Party has the greatest influence, to occupy factories in times of strike. This phenomenon has continued even after the movement was declared illegal by the Labor Court. This never occurred in the days of the last civilian president, Joao Goulart, when there was a much greater mystique concerning the labor court system. And today there are also the schemes of two or three trade union organizations, the first two being "revolutionary" and the third "political." This did not exist in 1963.

But let us proceed with the introductions. Ricardo Nacim Saad, a labor lawyer who came out of the Sao Paulo Trade Association, a friend of Paulo Maluf, 47 years of age, was the regional representative of the Ministry of Labor in the state of Sao Paulo 5 years ago, where he presided over exactly 4,953 round-table discussions involving employees and employers. And Almir Pazzianotto Pinto, labor lawyer, who came out of the trade union movement, was a state deputy in the third legislature and secretary of labor under the Montoro government. He is 48 years of age, is reputed to have given new life to his post, and to have "invaded" the terrain belonging, constitutionally, to Saad.

It was Almir himself who justified the territorial "invasion." "The important thing is reconciliation. In fact, we have no legal authority, but the

resolution of problems is the duty of all. After all, aren't the Military Police often summoned to control strikes? Now they are as much a state body as our Secretariat. Therefore we prefer to proceed first, although we await an invitation from the parties involved."

Animosity

Ricardo Nacim Saad, the regional representative of the open political approach, says that what surprises him most, even today, after 5 years of daily arbitration practice, is the great animosity between trade union members and owners, and the spirit of conflict seen at the round tables. This, he says, shows a lack of professionalism on both sides. "This spirit of animosity would only be justified if there were a lag in wages," but it comes through clearly, however, even in discussions of whether or not there should be a dining room at an enterprise.

Saad sees as a serious shortcoming the constant need of trade union leaders for political assertion, mainly with the workers. Each wants to show those he leads that only he, as opposed to the opposition, can achieve better contract conditions. And he says he has never seen a concern on the part of the group leaders as to the education and training of young people. He asserts that the current round tables, with all their imperfections, would allow the inclusion of educational clauses pertaining for example to study scholarships, but the concern of the negotiators in this regard is minimal or nonexistent.

His work as a regional labor representative in Sao Paulo has confirmed his conviction that trade union activities need to improve greatly, because as they have been developing, they do not serve in the short run as the tool of democracy desired by so many, "since some of the methods are not at all democratic." For example, "in some geographic portions of our state, no one will sign a contract any more without the recommendation of the assembly. The fact is that the assembly does not decide, but is led or manipulated this way or that by certain leaders. The result is a strike when an agreement could have been signed."

"And you, Almir. How do you view this year?" The secretary of labor, resting up after a stressful period at his residence, answered that he has always seen "a broad willingness for agreement" on the part of the employees and the employers. He has no figures, for the moment, unlike the labor representative, but he reports he has only failed to reach an agreement in one case, that involving Parahyba Textiles (owned, incidentally, by Senator Severo Gomes, also a member of the PMDB [Brazilian Democratic Movement Party]).

Changes

Almir believes that the election of Tancredo Neves will be the solution to the political problems, but not the economic evils, which will take more time and work. He says that once government credibility is reestablished, the Tancredo Neves administration will have to rehabilitate the suspended trade

union leaders (for example, Lula) in one way or another, "even if the CLT [Consolidated Labor Laws] are not involved." Another step which in his view Tancredo Neves should take would be to endorse and democratize trade union elections such as to make them less vulnerable to fraud. He will need to update the concept of delayed wage payments (which are only made after 90 days, in accordance with Decree No 368, which dates back to the distant year of 1968), to review the Guarantee Fund and to limit the unjustified dismissals of workers from their jobs.

"The labor question cannot be left under the sole jurisdiction of the federal government, excluding the states and the Ministry of Labor, which is present through its regional representatives. This must be changed," he stressed.

The best solution to a labor issue, he believes, is not that decreed by a court, but that negotiated by the parties involved. "The fact that I ask parties to reach agreement, exercising no coercion over them, and the fact that the parties elect a secretary of labor to channel negotiations--this is an indication that this is the path, that of negotiation," he commented.

A social pact in post-1985 Brazil will have to be informal, Pazzianotto, who terms himself "a reformer," added. There should be nothing formal like the post-Franco Moncloa Pact, because if this were attempted there would be difficulties even with the representation of the parties, particularly the workers. "Who would represent them? The CUT [Sole Central Organization of Workers]? The CONCLAT [National Conference of the Working Classes]? The CNTI [National Confederation of Industrial Workers]? Who? The answer is not easy."

For the secretary of labor under Montoro, the greatest difference between 1984 and the other immediately preceding years is that despite the aggravation of the economic crisis, and in addition to that, with the direct involvement of the state in labor negotiations, no policy of police repression has developed. "Which shows that agreement is the rule and a contentious spirit at all costs is the exception."

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CSO: 3342/35

BASIC POINTS OF PROPOSED BANKING REFORM OUTLINED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Nov 84 p 24

[Text] Brasilia--Mailson da Nobrega, secretary general of the Ministry of Finance, yesterday announced the basic points in the banking reform drafted by the 12-member commission he headed, which was appointed by the National Monetary Council. The proposal is to be submitted to the council and to the president of the republic in the middle of December for approval and, with regard to some points, immediate implementation. The main items are:

1. All expenditures and income will be a part of the fiscal budget, including the resources obtained from public debt transactions and loans obtained from international financial bodies.
2. All treasury resources available will be centralized in the Central Bank, eliminating even the retention by the private banks, which now averages 18 days, of the resources obtained from tax, rate and other departments.
3. Public debt management will be transferred from the Central Bank to the Ministry of Finance, where it will be the responsibility of the Financial Planning Commission.
4. The monetary budget will be eliminated, and will no longer exist next year.
5. The Central Bank will cease to have a developmental role, and the Bank of Brazil will lose its monetary authority, with control of sectorial policy, including the definition of resources for the various portions of the economy, mainly on the product level, being assigned to the respective ministries.

Mailson explained that these are the basic concepts which will be submitted for the National Monetary Council to sort through, at the meeting which may be held on 19 December, and simultaneously to President Figueiredo. He insisted on the point that this is not a monetary reform, which would be broader in scope.

Work Group

According to Mailson, this commission also appointed a work group to suggest the operational mechanisms for the changes, also by the middle of December, as well as to propose a schedule and phases for implementation. The reform

will not be approved by a law, which would require sending a draft to the congress, but will be promulgated by means of a Monetary Council resolution or a presidential decree.

Mailson said that the fact that some of the decisions will amend Law No 4595 dated 31 December 1964, approving the current financial reform as well as the establishment of the Central Bank, is of no importance, because this legislation was approved while the 1946 Constitution was in effect, while the new constitutional text, which gives the president of the republic the exclusive authority to issue decree laws and decrees on matters of public finance, is in effect today.

In connection with the centralization of all income and expenditures in the fiscal budget, to provide full clarity, the secretary general of the Ministry of Finance said that this concept focuses on the universality of the budget law, as opposed to its uniqueness, presuming the existence of a single budget, and unification, which has to do with a merger of the monetary or state budgets with the fiscal budget, which he feels it is technically impossible to achieve.

As to the centralization of the available treasury assets in the Central Bank, another aspect of the reform, Mailson said that this concept is to be implemented in the medium and long range, and it is based on the presumption that the Treasury should not distribute its resources at no cost to the financial bodies, since this means increasing the public deficit, in that the treasury is forced to sell bonds to fulfill its expenditure commitments while a part of its income is deposited in the bank. Henceforth, if the banks want to borrow at low cost, the argument they use today for retaining treasury resources, they will have to do so on the basis of a special allocation included in the fiscal budget.

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CSO: 3342/35

PROSENE PILOT PLANT TO BE INSTALLED IN SAO JOSE DOS CAMPOS

Rio de Janeiro O GLOBO in Portuguese 28 Oct 84 p 5

[Text] With the production of prosene, a fuel extracted from vegetable oils to replace aviation kerosene without the need for any type of adaptation of the turbines of jets or turbojets, this city could undertake an industrial mobilization for providing for the needs of military or civilian aviation in case of an interruption of petroleum supplies to the country.

A pilot plant, which is being assembled at the Energy Systems Producing Industry (PROERG) of Fortaleza, will be installed here as of the middle of 1985. It is capable of producing 1,000 liters of prosene daily, research on which began in 1980 by Ceara industry under the command of businessman Alfredo Rafael Campi.

The PROERG team developed several processes for production of gasoline and deisel fuel substitutes and additives from vegetable oils derived from palm nuts, seeds of the Licania Rigida tree, cotton and sunflower seeds. The acceptance of the fuel should take place within 2 to 4 years and prosene will be produced in Sao Jose dos Campos--100 kilometers from the capital of Sao Paulo and the main center for advanced technological research of Brazil--after the Ministry of Aeronautics acquires the PROERG pilot plan and installs it at the Aerospace Technology Center (CTA).

Thereafter, the master lines of the National Industrial Mobilization Plan would be put into practice, a collection of strategic measures aimed at insuring the independence of the Brazilian Air Force in situations of conflict or of the paralyzation of foreign supplies of necessary products. Along that line, means will be developed during normal times so that the Brazilian Air Force will be in a condition to quickly install several prosene-producing plants in strategic cities for operation in times of serious military, political or economic conflict.

Research

That, at least, will be the situation of prosene as long as its production is not economically feasible. For the time being it is much more expensive than aviation kerosene and has a 10-percent lower yield.

"Undoubtedly, yield is going to be improved as research continues," said Engineer-Colonel Moises Castelo Branco, chief of the Motor Division of the Research and Development Institute, a unit of the CTA.

There are projects that are beginning to be put into practice as of now aimed at the technological improvement of the prosene production process and for the expansion of the production capacity of the pilot plant.

Technically, he says, prosene results from the application of heat to the vegetable oil sensitized by the action of catalysts. Resulting chemical reactions change the dense molecules which make up vegetable oils into a substance with the mineral characteristics of aviation kerosene. Physically the product is identical, but its reactions to combustion still leave something to be desired. The viscosity of prosene is not yet ideal and when burned it does not produce as much heat. That is why, among other factors, the steam pressure it generates--which is finally responsible for driving the motors--has to be improved a bit.

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CSO: 3342/36

IBGE FORECASTS LARGEST POPULATION GROWTH IN NORTH

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Oct 84 p 14

[Text] If the forecasts of the Brazilian Institute of Geography and Statistics (IBGE) come to pass, by the end of the century the northern region of the country, particularly the areas consisting of Acre, Rondonia, Para and nearby regions, will have the greatest rate of population growth in Brazil, when, according to those forecasts, Brazil will have a population of nearly 150 million inhabitants, reaching 180 million in 2000.

The calculations made by the IBGE on the changes of population in the large regions and units of the Federation from 1986 to 1990, based on figures from the last population census, show that the northern and center-west regions will have a greater population growth than areas of the southeast, for example, Rio and Sao Paulo. Still according to those figures, the northern region by 1990 could grow at a rate of 13.8 percent in 5 years and the center-west region will show a population growth of about 12.1 percent in the period.

In terms of the units of the Federation, the most prominent figures are those of Rondonia, area of expansion of the so-called agricultural and mining frontier, which in the same period of 5 years will show a population growth of 22.7 percent, which means almost 5.5 percent annual growth beginning in 1986. That is approximately double the growth rate of the present population of all of Brazil. In absolute numbers, according to the IBGE projections, Rondonia will exceed 776,000 inhabitants in 1986 and have close to 1 million in 1990.

In the center-west region the Federal District-Brasilia and satellite cities are the prominent areas, where a growth in population between 1986 and 1990 from 1.65 million to 1.91 million is foreseen. In overall terms, the center-west region should grow from approximately 9.4 million inhabitants to 10.5 million in 1990. In the northern region that change should be from nearly 7.6 million inhabitants to 8.6 million.

The southeast region, however, will maintain its population in absolute figures, if the trend indicated in the IBGE estimates prevail. That means however, that the states of the region, with somewhat more than 66 million inhabitants foreseen by 1990, may reach 2000 with more than 100 million inhabitants, half of them concentrated in the Sao Paulo area. However, the president of IBGE, Jesse Montello, believes that those numbers could undergo some great changes in coming years because of the progressive reduction in fertility rates confirmed (average number of children) among women of the urban zones of the country, as well as in the respective birth rates which are also declining. That is added to the fact that Brazil, according to the IBGE, has one of the greatest infant mortality rates in the Americas; 88 deaths per 1,000 live births.

According to Montello, one of the most harmful consequences of uncontrolled population growth in the country has to do with unemployment: "To decrease the present unemployment rate by even one percentage point, it is necessary to increase the Gross Domestic Product by more than two points, which means a great effort."

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CSO: 3342/36

BRIEFS

MIGRATION IN NORTHEAST--Recife--Economist Ana Amelia Camarano said yesterday that the projections of surveys being made in the Northeast indicate that from 1995 to 2000 nearly 335,000 workers are going to migrate annually to the metropolitan regions, aggravating the unemployment situation in the large cities. Ana Amelia also said that if the present level of growth in migrations is maintained, the Northeast rural population, which today is 18 million, should decline in the next 20 years to 8 million. She also said that 70 percent of the rural migrants are men between the ages of 20 and 40 years, at the height of their working capacity, which makes the situation even worse. "At the same time that the rural zone is being depleted, the number of people looking for jobs in the urban centers is going to increase," she said. The economist and researcher from the Joaquim Nabuco Foundation is coordinating a survey on the impact of migrations on the manpower supply in the cities, which was ordered by SUDENE [Superintendency for the Development of the Northeast] and by the Ministry of Labor. Preliminary results of this survey were revealed yesterday in Recife. [Text] [Rio de Janeiro O GLOBO in Portuguese 31 Oct 84 p 5] 8908

HYDROELECTRIC PLANT IN ANGOLA--After 3 years of work, Brazil and Angola are going to sign a contract on 21 November for the construction of the Hydroelectric Plant of Capanda in that country. Negotiations will involve participation of diplomats of the two countries and the delay at arriving at a conclusion is due to the complex relationships between Brazil and that African country. The contract has "one of a kind" characteristics and is a sort of exchange operation whereby Brazil provides the exports of goods and services required for the construction of the project and in exchange receives \$650 million worth of petroleum. The Norberto Oderbrecht Construction Company, which will build the plant, will be paid by PETROBRAS. As a result, PETROBRAS will be paying for the petroleum from that transaction in cruzeiros. This also provides an opportunity for Brazilian experience in undertaking large hydroelectric projects to be taken abroad, since FURNAS [Brazilian Powerplants] will contribute to the organization of the Angolan construction unit, coordinating Soviet interest in supplying equipment. When it is under construction, the Hydroelectric plant of Capanga will employ Brazilian workers, technicians and engineers. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Nov 84 p 22] 8908

1985 RICE IMPORTS--Brasilia--Minister of Agriculture Nestor Jost said yesterday that Brazil will have to export more soybeans in 1985 in order to import rice, since the producers have abandoned cultivation of this latter crop, despite the large increase in minimum rice prices during the current harvest. Jost said that the release of 1 trillion cruzeiros to cover farm costs is expected later this month, as compared to the allocation of only \$400 billion cruzeiros announced by BB [Bank of Brazil] President Oswaldo Colin yesterday. According to the Minister of Agriculture, soybeans, cotton, peanuts and beans will show an increase in planting area in comparison to the last harvest, while corn cultivation will remain stable. Jost reiterated that the disappointment came with rice, because of the preference shown even by traditional rice growers for soybeans. The minister said that although there have been difficulties, the money for coverage is being obtained and should meet the sectorial needs. He recalled that just last Monday, the BB released 230 billion cruzeiros of the monthly allocation of 100 billion cruzeiros [sic]. "There is no abundance, but the financing of cost coverage is being normalized, and the claim by the producers in Rio Grande do Sul that the lack of fertilizers will destroy farm productivity is false. The fertilizer industries have sold 17 percent more this year than in 1983," he commented. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 84 p 34] 5157

CSO: 3342/35

PAPER URGES REVIVAL OF INTER-VIRGIN ISLAND CONFERENCE

Road Town THE ISLAND SUN in English 3 Nov 84 p 11

[Editorial]

[Text]

Whatever happened to the Inter-Virgin Islands Conference which ably functioned for many years in the past as an active Committee on joint matters of interest to the two groups of Virgin Islands? The main reason it ceased to exist, it seems to us, was due to various changes in the Governments' Administration which occur on both sides from time to time, and failure to make new appoints to the Conference (Committee). As a result, this important Inter-Island body simply faded away.

The Conference, which held regular meetings, alternately on Tortola and St. Thomas, would meet to discuss Inter-Virgin Islands matters (or on call of the Chairman). As appointments to the Conference cease to take place, matters of joint or mutual interest to both sides, gradually became the provence of the Governors or other ranking officials of the two Governments, who could not pursue the matters as urgently and effectively as would the Inter-Virgin Islands Conference, which was geared in discussing and handling such matters for action by the respective Governments. And so things drifted for the most part.

We agree that it is time for the two Governments to get together and take steps that would re-institute the Inter-Virgin Islands Conference on the same footing it operated in the past. The Conference was responsible to the respective Governments in investigating problems presented, and submitting reports and recommendations. It was an informed body with regard to Inter-Virgin Islands problems and was in an excellent position in seeing both sides of the matter. The closeness with which members of the Conference worked, and their mutual friendship was also an asset in reaching beneficial conclusions, without prejudice to either side.

In passing, we wish to say that the Fisheries case which is now before the Court of Appeal would, we believe, be a matter which would have been in the hands of the Inter-Virgin Islands Conference, and may have averted the long, drawn out and expensive Court procedures.

Friendship Day, which is celebrated once a year is a highly unifying and beneficial undertaking, but it cannot supply what the Inter-Virgin Islands Conference (a regular working body, year round, if required) in the discussion and handling of matters having joint interest to the two groups of islands.

In addition to Friendship Day, we wish to say again that we agree (like so many other people) that there is a need for re-instituting the Inter-Virgin Islands Conference; that it may once again play the important rôle it did so many years ago. The sooner this is done, the better it will be for Inter-Virgin Islands friendship and understanding.

CSO: 3298/191

TRADE SITUATION WITH ANGOLA REVIEWED

Havana BOHEMIA in Spanish No 39, 28 Sep 84 p 33

/Article by Serafin Marrero: "Promising Prospects for Cuban-Angolan Trade"/

/Text/ "The governments of the People's Republic of Angola and the Republic of Cuba, wishing to strengthen and develop commercial relations and trade between both countries, based on equality of rights, mutual benefit and the high level of solidarity and fraternal relations between both peoples, signed on 5 May 1981, an agreement governing commercial trade," the Angolan ambassador to Cuba, His Excellency Mawete Joao Baptista began telling us.

The diplomat stressed that the visit to his country of Cuban Foreign Trade Minister Ricardo Cabrisas Ruiz in October 1983, reinforced these relations. Joint commission meetings have been held alternatively in Angola and Cuba.

During 1982-1985 Cuba will export products to Angola that include 70,000 metric tons of refined sugar per year, medications for human and animal use, liquid chlorine, rum, liquor, apparel, ferrocement-hulled ships, sports equipment, textbook printing, and so forth.

Angola will export lumber, fishmeal, henequen fiber, rope and thread, and so forth, although some of these products cannot be exported at this time because of the situation now facing the country. They are in short supply.

"Imperialism is waging an undeclared war against us through South Africa, using its armed forces directly or the puppet UNITA forces to destabilize us in every regard, especially in the economic sphere, to force us to yield in the political sphere," the ambassador vigorously noted.

"The production of exportable articles, he emphasized, is improving both as to quality and as to quantity, a fact which will contribute to the balance of trade." He added that during 1983, trade between Angola and Cuba increased. Cuba shipped more than 12,000 crates of eggs for the development of the Angolan poultry industry, as well as various types of beans for planting on an experimental basis in Malanje Province. For its part, Angola exported to Cuba the excellent Cabinda lumber, among other products."

The ambassador was optimistic relative to trade prospects. He thinks that the coming visit to Cuba of an Angolan trade delegation led by Foreign Trade Minister Ismael Martins, will contribute to future trade expansion in Cuban products such as sugar, tuna and rum, and in Angolan products such as gas, lubricants, fishmeal, henequen, and so forth.

"Technical assistance is also part of foreign trade," the ambassador told us before concluding the interview. He said that "there are now in Angola five of the six Cuban high-level technicians and specialists who are assisting their Angolan counterparts to improve their technical knowledge on behalf of internationalist principles."

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CSO: 3248/97

JOINT COMMUNIQUE WITH BULGARIA PUBLISHED

Havana GRANMA in Spanish 6 Nov 84 p 3

[Text] Havana (AIN)--The following is the text of the joint Cuban-Bulgarian communique signed at the end of the Bulgarian delegation's visit to our country.

A Bulgarian government delegation headed by comrade Grisha Filipov, member of the Politburo of the CC [Central Committee] of the PCB [Communist Party of Bulgaria] and president of the Council of Ministers of the People's Republic of Bulgaria, made a friendly visit to Havana from 26 October to 28 October 1984.

Grisha Filipov met with comrade Fidel Castro, first secretary of the CC of the PCC [Communist Party of Cuba] and president of the Council of State and Council of Ministers.

There were talks between the Bulgarian delegation headed by Grisha Filipov and the Cuban delegation headed by Carlos Rafael Rodriguez, member of the Politburo of the CC of the PCC and vice president of the Council of State and Council of Ministers of the Republic of Cuba.

Other Bulgarians who participated in the talks included: Andrei Lukanov, alternate member of the Politburo of the CC of the PCB and vice president of the Council of Ministers; Stanish Bonev, alternate member of the Politburo, vice president of the Council of Ministers and chairman of the State Planning Committee; Marii Ivanov, member of the CC, first deputy minister of foreign affairs; Jristo Petkov, alternate member of the CC and permanent secretary of the Committee for Economic, Scientific and Technical Cooperation of the Council of Ministers; Gueorgui Gueorguiev, first vice chairman of the State Planning Committee; Marin Marinov, deputy minister of foreign trade; and Petar Markinkov, Bulgarian ambassador to Cuba. The Cubans who participated included: Humberto Perez, alternate member of the Politburo, vice president of the Council of Ministers and president of the Central Planning Board; Antonio Esquivel, member of the CC, vice president of the Council of Ministers and Cuban chairman of the Intergovernmental Cooperation Committee; Eustaquio Remedios, Cuban ambassador to Bulgaria; and deputy ministers and vice chairmen of the Ministry of Foreign Relations, State Committee for Economic Cooperation, Central Planning Board and the Ministry of Foreign Trade.

During the talks, both parties confirmed with satisfaction that the relations between the two countries have continued to develop dynamically based on Marxism-Leninism and proletarian internationalism.

It was also pointed out that the close relations and cooperation between the two communist parties are especially important for the continuing development of the fraternal relations between the two countries. The extraordinary contribution that comrades Fidel Castro and Todor Zhivkov have made to the systematic deepening and enrichment of these relations was reemphasized.

The growing development of bilateral relations in the political, economic and cultural spheres was pointed out in the talks.

Also it was pointed out with satisfaction that the long-term program of economic, scientific and technical cooperation for the period after 1980 and the development of specialization and cooperation in different branches of the national economy are being successfully carried out. Measures were outlined for subsequent expansion and improvement of economic relations. At the same time, special attention was given to the improvement and application of new forms of cooperation in machinery construction and electronics, expansion of specialization and cooperation and construction of joint projects to create additional resources to satisfy the needs of both countries and provide exports to third countries.

Viewpoints were exchanged about current international problems. There was complete agreement on the causes that have led to the current worsening of that situation as well as the measures to improve it in accord with the documents of the Economic Summit Conference held in Moscow in June.

Todor Zhivkov visited several industrial plants in the provinces of Villa Clara and Sancti Spiritus.

A statement was signed on the results of the talks. The talks were held in an atmosphere of complete agreement in viewpoints and fraternal camaraderie.

END

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HAVANA TO HOST FIRST FESTIVAL OF YOUNG WRITERS, ARTISTS

Havana JUVENTUD REBELDE in Spanish 17 Oct 84 pp 1, 4

[Text] During a ceremony at the Casa de las Americas, the presidency of the First Festival of Young Writers and Artists of Latin America and the Caribbean was announced. The festival called "Life is a duty" will be held in Havana in April 1985.

This ceremony was attended by Armando Hart Davalos, member of the Politburo of our party and minister of culture, and Carlos Lage, alternate member of the Central Committee and first secretary of the UJC [Union of Communist Youth]. The official convocation for the festival was read at the ceremony.

Carlos Mas Zabala, culture department chief of the UJC, announced the members of the presidency of the festival as follows:

Silvio Rodriguez, composer and performer from the New Verse Movement, president; writer Omar Gonzalez, vice president; and members Carlos Marti, writer; Alberto Quevedo, sculpture researcher; Reina Maria Rodriguez, writer; Marianela Boan from Danza Nacional; Roberto Fabelo, sculptor; Flavio Garciandía, sculptor; Jorge Esquivel from Ballet Nacional; Jorge Prats, pianist; Jose Maria Vitier, composer; Adalberto Alvarez, composer; Pablo Milanes, composer and performer from the New Verse Movement; Carlos Cruz, actor; and Vicente Feliu, composer and performer from the New Verse Movement.

After Silvio Rodriguez read the convocation, the minister of culture pointed out the significance this meeting can have just when the youths of our America are searching for the ways to make art more active as a moral weapon in defense of life. He congratulated the youth organizations for the development of this initiative to bring to our country the newest schools of writers and artists on our continent.

According to plans, the general program of the festival will include sculpture exhibits, readings, dance and theatrical presentations, concerts, discussion groups and a film festival. There will also be creative workshops in which the social function of literature and art, the relationship between art and the public and the role and current situation of literary and artistic criticism will be debated. Also there will be a colloquium on the role of creative youths in Latin America and the Caribbean in the fight for the sovereignty of

our peoples, against imperialist penetration and for the redemption and reappraisal of our Latin American and Caribbean identity.

Those who attended this ceremony included: Mariano Rodriguez, president of the Casa de las Americas; Julio Garcia Espinosa, deputy minister of culture; Hugo Chinea, member of the Central Committee; Carlos Marti, president of the Hermanos Saiz Brigade; and other leaders and people in the culture sector.

Convocation

I. Jose Marti wrote: "Life is a duty." Struggle and sacrifice were essential and defining elements of his exemplary conduct. Today when the threat of direct U.S. intervention again hovers over the peoples of Latin America and the Caribbean, the words of that illustrious and straightforward son of Cuba and America catch fire and convoke us again to combat and defense of our right to live in peace and decide our best fate.

Imperialism can never take away our joy, our complete confidence in victory. The unanimous voice of the peoples whose dignity is the pride of life and combat rises above imperialist power, arrogance and contempt for our culture, history and dreams and hopes.

We young writers and artists of Latin America and the Caribbean, inheritors of a long and fertile cultural and heroic tradition, fulfill our duty as one who marches in the vanguard and will never know surrender or defeat. This is our *raison d'etre* at a time when lowering our guard means opening the door to a slow and agonizing death of our culture.

Only in unity will we know victory and only in combat will we win our rights.

II. The year 1985 will be the International Year of Youth. In the Caribbean and Latin America, the new generations must embrace this date. We young writers and artists will fulfill our duty and celebrate and fight for sovereignty, self-determination and freedom.

In Cuba, the first free territory in America, we creative youths represented in the Hermanos Saiz and Raul Gomez Garcia Brigades and in the New Young Movement have decided to convoke the First Festival of Young Writers and Artists of Latin America and the Caribbean. It will be held in Havana in April 1985. We are sure it will receive the support and enthusiastic participation of the new creators in our America.

III. The general program of the First Festival of Young Writers and Artists of Latin America and the Caribbean, conceived in the broadest terms, will contain the following aspects:

1. Artistic presentations--sculpture exhibits, readings, radio and theatrical presentations, concerts, discussion groups and film festival.
2. Creative workshops based on the specialty and interest of the participants with the following themes--social function of literature and art, friendship

between art and the public, role and current situation of literary and artistic criticism and presentation and discussion of the works of the participants.

3. Meetings with Latin American and Caribbean personalities in the culture sector and leaders of the Cuban Revolution.

4. Colloquium on the role of the creative youths of Latin America and the Caribbean in the fight for the sovereignty of our peoples, against imperialist cultural penetration and for the redemption and reappraisal of our Latin American and Caribbean identity.

Topic of colloquium: The creative youths in the fight of our peoples for their sovereignty and self-determination; the role of the creative youths in the defense of our cultural identity and against imperialist colonization.

IV. To guarantee the organization and development of the festival, a presidency has been formed by a group of Cuban intellectual youths representing all the arts included in the general program. That presidency and the organizing committee will be in charge of promoting the participation of the young writers and artists invited to the festival and making this viable.

The main office of the First Festival of Young Writers and Artists of Latin America and the Caribbean will be at the following address: Casa del Joven Creador, San Pedro and Sol, Havana 1.

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CSO: 3248/125

COLLECTED ARTICLES OF CARLOS RAFAEL RODRIGUEZ PUBLISHED

Havana BOHEMIA in Spanish No 44, 2 Nov 84 p 2

[Article by Blas Roca]

[Text] Since the appearance of the first volume of "Letra con Filo" [Letter with an Edge], I have wanted to write a few paragraphs on the current importance of that collection of "old" and new articles. However, persistent physical problems, the treatment I follow carefully and other minor problems kept me from organizing and writing down these ideas before.

Carlos and Mirta must be congratulated for the magnificent idea of publishing this collection that is as good as if it were written now, for now.

After reading the first volume of the collection of articles by Carlos Rafael Rodriguez published in magazines, newspapers and pamphlets about the first Cuban organizations that were inspired on Marxism-Leninism, we have waited for the next volume. It had been announced that the work would require three volumes of "Letra con Filo." This collection will be read with great interest by youths to learn about episodes in our history and our philosophy. It will also interest older people since it will remind them of things they have forgotten which are very useful today.

The works collected in the book are from different times on different subjects. All are part of Marxist-Leninist ideology.

Like any good social literature, these articles--even the oldest--preserve their freshness and, in a certain sense, their topicality. At the time of the first articles, who would dream that we would so quickly have the marvelous reality of Granma and a revolutionary government that has already existed a quarter of a century and achieved serious victories in the construction of socialism?

The book salutes the vibrant youthfulness of 70-year-old Carlos Rafael. Therefore, we can repeat that the articles retain their freshness, topicality and effect.

There are articles on the peace policy of the Soviet Union and on the activities that Latin American unions like CIAL [Confederation of Latin American

Workers developed for peace. In a situation of imminent aggression by the imperialists, it celebrated a Latin American Congress for the freedom of America and peace in the world.

In the first volume, the topics refer mainly to actions developed then for peace and for the freedom of the peoples. Read now, those articles inspire actions for peace through the union movement and other organizations. A similar initiative would be opportune and effective now. Read the book and you will see.

In the second volume we will find economic analyses and definitions which we need to consider now after the glorious victory of the Rebel Army. A quarter of a century ago, it formed the FAR of the revolutionary socialist government that our invincible commander in chief and admired leader, comrade Fidel, heads and leads.

As I said before, in this second volume we will find economic analyses and definitions that should be read and reread now when we are in the struggle for the construction of socialism and for efficiency and profitability. It will help us to read and reread the pages of "Letra con Fila." In that way, we will assimilate its lessons and we will find that they have a front edge, back edge and point.

Carlos Manuel Rodríguez has had a long life of practical and ideological struggle for Marxism-Leninism. "Letra con Fila" is another episode in that struggle and battle. We have been united throughout this history. We are united in victory under the leadership of Fidel.

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CMS: 124-7125

WAYS OF IMPROVING SOCIALIST EMULATION IN ARMED FORCES

Havana VERDE OLIVO in Spanish 27 Sep 84 pp 9-10

/Text/ The new directive of the minister of the revolutionary armed forces on the improvement of socialist emulation began to be applied to the FAR /Revolutionary Armed Forces/ during the last training period.

The first experiences derived from the directive emerged in just over 6 months from the time it became effective. The general results show that the directive's new guidelines influenced the achievement of higher combat and mobilizational readiness levels among major units, intermediate units and small units. They were also a factor in the accomplishment of the various missions assigned to the commands, as well as in the attainment of a more efficient performance of duty by the military. The guidelines also contributed, to a higher degree, to the education of personnel and to the development of communist relations between combat soldiers.

Departing from previous directives, the current one simplified the system of controls and of organizational documents; established better defined criteria in the selection of achievers and vanguards, and in conducting precheckups and checkups; defined a more objective policy with regard to moral and material incentives; and, in their application, gave the commanders an opportunity to make adaptations and innovations.

Within the indices obtained, one fact stands out--that a high percentage of those who emulated individually and collectively, attained the status of achievers and 10 percent became vanguards.

In the midst of emulative enthusiasm, the Western Naval District made a commitment to opt for the status of "Major Vanguard Unit," and a group of equivalent units, among them Military Unit No 1973 and 1640 of the Eastern Army, made serious commitments to achieve the same distinction in the 1985 year of training.

In honor of the 31st anniversary of the storming of the Moncada barracks, many intermediate units and small units made collective commitments to mark this historic national holiday.

Among the various initiatives, several commands, such as the Eastern Army, held meetings to exchange experiences, appraise the state of the emulation, generalize the initiatives, and clarify incorrect interpretations in the application of some norms.

Many party and UJC /Union of Young Communists/ organizations also analyzed the progress of the emulation, reached agreements to upgrade its influence and defined the role of the membership in this respect.

The reporting of these factors alone points up the undeniable fact that socialist emulation in the FAR, as a political work method, played a more influential role in the life and activities of the troops, and was given greater attention by the commanders, political organs, party organizations and the Union of Young Communists.

At the same time, even as we point out these positive aspects, it is necessary to consider the shortcomings, to the end that in the process of surmounting them, they will assist us in achieving better results by the end of the training year.

The most unfavorable difficulties encountered in the last training period centered on insufficient mastery of the directive by small and intermediate unit commanders; on the establishment of parameters, exceeded in some cases and simplified in others, of the requirements to be attained to become a vanguard, and on the fact that not all the work plans of the units reflected the steps to be taken by the staffs and special staffs to organize, direct, and control socialist emulation.

Furthermore, only approximately 20 percent of the budget allocation for vanguard incentives was used for activities such as camping and recreation; moral incentive potentialities were insufficiently used; many collective commitments contained general activities which were difficult to weigh, quantify and evaluate; and insufficient publicity was given on the results of emulation by the various media.

In view of these deficiencies, we must accomplish the following things during the current training period: all personnel must study the directive harder to master it; individual and collective commitments must be fulfilled with greater objectivity; the checkups must include the required content, political and ideological motivation and have a seriousness of purpose; and the exact dates of their accomplishment should coincide with the summary reports of combat and political training.

Moral and material incentives must be applied in a broader and more creative manner, in accordance with set budgetary norms; the staffs and special staffs, government organs, organizations and political sections should be encouraged to play the role assigned to them; and an improvement must be made in the effectiveness of the publicity and the graphic quality of the information passed to the various media, especially with respect to the vanguards and the most outstanding military units.

Party and UJC organizations should, in line with their work styles and methods, hold regular meetings to hear reports from commanders, become informed about the best experiences and difficulties and, as a consequence, take steps to support the work being done.

Under the prevailing conditions of the unceasing upgrading of the combat capability of the Revolutionary Armed Forces, emulation is called upon to play a decisive role in the implementation of this sacred mission.

This is the reason why 2 December, when we will mark the 27th anniversary of the "Granma" landing and FAR Day, is a highly significant, patriotic and revolutionary date. A day in which we can assume new collective commitments to assist us in attaining higher levels of combat readiness, improved living conditions and troop recreation and other major facets of military life.

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CSO: 3248/97

FORMER PLD SECRETARY GENERAL CLAIMS BOSCH BEING MANIPULATED

Santo Domingo LISTIN DIARIO in Spanish 29 Oct 84 p 9

/Article by Octavio Mata Vargas/

/Text/ Dr Rafael Alburquerque, former secretary general of the Dominican Liberation, Party /PLD/, said yesterday that some members of the PLD Executive Central Committee have created a sort of a ring around former President Juan Bosch so that he only receives incorrect and distorted information causing him to make decisions which frequently do not correspond to the true feeling of the masses or the nation.

He said that that group has completely disregarded the basic, fundamental PLD principles. He pointed out that they have taken it upon themselves to misinform the leader of the party.

He added that the same group is also responsible for erecting a wall of deficient communications between the rank and file of the party and the national leadership.

Alburquerque made these statements on the Aeromundo program which Guillermo Gomez presents every Sunday from 1130 to 1230 hours on Color Vision TV station.

The former PLD leader said that in spite of the prevailing conditions in the party, there is not yet a crisis within it such as occurred in the Dominican Revolutionary Party /PRD/ and the Reformist Party.

He said, "There has not been such a crisis because I understand that in this country one must place national interests before one's private interests."

Alburquerque said that if it is necessary for him to make a sacrifice so as not to cause a crisis within the PLD, he was ready and would continue to be ready to make that sacrifice even if this meant that he would have to leave the party.

He stressed that in his heart and conscience he is still a member of the PLD and that he believes that it is necessary to preserve party unity rather than to precipitate a crisis within it.

As to the ring which surrounds Dr Bosch, Dr Alburquerque said the ring consists of leaders Euclides Gutierrez, Mildred Guzman, Norge Botello and Felucho Jimenez.

Albuquerque said that it is unfortunate that those persons have become a group who completely disregard PLD principles and work methods.

He said, "I think that in these times of economic crisis, when conditions in the Dominican Republic are of so much concern, the PLD and its main leaders should be working for the Dominican people, guiding the workers, the peasants and the odd-jobs workers who need to be led through these difficult times facing the Dominican people."

Albuquerque said that in spite of this, the PLD leaders he mentioned "only spend their time talking about a hypothetical Albuquerque group, harassing fellow party members and raising the ghost of an Albuquerque group, breaking up organizations or interfering with organizations within the party."

He said that the PLD must be strengthened and he called upon the PLD rank and file to work even harder and more zealously because he considers the PLD still to be a valid instrument for the country's social and economic transformation.

He expressed regret that the above-mentioned group of PLD leaders, "are resolved to raise a ghost which does not exist by engaging in a slander campaign against me while harassing all party comrades and bodies which they believe may feel friendly toward me."

Albuquerque said that the PLD is the patrimony of the people and as such it must be preserved at any cost, even at his personal sacrifice of being at present outside the party.

He proclaimed, however, that he has faith in the PLD rank and file and that he has blind faith in the leaders of the neglected districts of the capital and of the country's provinces.

He also said that he is convinced that the men and women who actively work for the party as leaders and as members of rank and file party committees or study circles and many Central Committee members are people who have joined the party to serve the nation, not in search of a sinecure or personal gain.

Evaluation of Conditions

The former PLD secretary general evaluated the current political conditions in the country, which, he said, cannot be separated from the economic problem.

He said that economic conditions are crushing for the Dominican people and that these conditions could get even worse than they are now since the government has already announced new negotiations with the International Monetary Fund.

He expressed the opinion that the prices of basic necessities will rise.

He predicted that beginning in January there will be an increase in the price of gasoline and of electric power which will cause the prices of all basic necessities to go up.

BRIEFS

FRUIT IMPORTS BAN--PLYMOUTH, Montserrat, Sunday, (CANA)--Montserrat is banning the importation of at least 19 types of fruit and vegetables in a move aimed at protecting local producers, the Ministry of Agriculture said. The ban comes into force on November 15. Fruits and vegetables which will no longer be allowed from that date range from tomatoes to pineapples. Farmers here had complained of difficulty in selling their produce in the face of competition from neighbouring islands, mainly Dominica. The Ministry of Agriculture said the measure falls under the country's external import restricting order of 1982. [Text] [Bridgetown BARBADOS ADVOCATE in English 5 Nov 84 p 1]

CSO: 3298/192

REFINERY CLOSURES THREATEN ECONOMIC COLLAPSE OF ISLANDS

Port-of-Spain TRINIDAD GUARDIAN in English 21 Nov 84 p 12

[Text] WILLEMSTAD, (Reuter)--THE NETHERLANDS Antilles, a federation of six Dutch islands in the Caribbean, is threatened with economic collapse and political chaos by the closure of its two aging oil refineries.

The U.S. oil company Exxon recently announced the shutdown of its refinery on Aruba by March 31 due to weak international oil prices and difficulties in obtaining adequate crude supplies from neighbouring Venezuela.

Out of Work

If the closure goes ahead, 2,000 of Aruba's 70,000 population will be thrown out of work, government income will be halved and the island's foreign exchange earnings will be out by a third.

A similar fate could face Curacao, where Royal Dutch Shell has threatened to close its loss-making refinery unless the island authorities take a majority stake in its operations.

Antillean leaders have warned that unless the refineries are kept open or massive aid is provided to offset their closure, heavy unemployment and falling living standards could turn the islands into a political time bomb.

Curacao, with a population of 160,000, and Aruba are already suffering from 20 per cent unemployment due to a slump in tourism and offshore financial business, their other main sources of income.

Economic Problems

Aruban Government Party leader Betico Croes has suggested that if the Exxon refinery closes, part of Aruba's population should be temporarily relocated in the Netherlands at the Dutch Government's expense, while efforts are made to revive the local economy.

But the Netherlands, which gave \$80 million in aid to the Dutch Antilles this year, is unwilling to assume greater responsibility for the islands' economic problems.

Jan de Koning, Dutch Minister with Responsibility for the Islands, told reporters on his arrival in Curacao this week The Hague would not increase aid or redistribute payments in favour of Aruba.

He also warned that immigration restrictions might be placed on Antilleans entering the Netherlands to prevent an exodus of the islands' 250,000 population if the economic situation becomes unbearable.

The Netherlands is slowly but firmly pushing the islands towards independence, which Aruba has decided to achieve separately from the other five islands.

Aruba, 20 miles off the Venezuelan coast, is due to obtain separate status from the rest of the Antilles on January 1, 1986 and independence ten years later.

The island is considerably wealthier than others in the group thanks to the refinery and a well-organised tourist industry.

CSO: 3298/177

INCREASED AID TO ARDE SEEN AS MOST FEASIBLE U.S. OPTION

Paris POLITIQUE INTERNATIONALE in French Autumn 1984 pp 147-160

[Article by Pierre Milza: "Is the Nicaraguan Revolution Reversible?"]

[Text] The author is director of Advanced Studies in 20th Century History at the Institute of Political Studies where he also teaches history of contemporary international relations. He has written numerous books and articles on Italy and on international relations. His book "Les fascismes," a synthesis of the fascist phenomenon in the 20th century, will be published sometime in 1985 by the Imprimerie Nationale as part of its "Notre Siecle" [Our Century] series.

When this article appears in print, Nicaraguans will be about to go to the polls to give the Sandinist dictatorship an appearance of legitimacy. The Sandinist leadership in Managua took 5 years to finally agree to hold elections which today can do little more than sanction their hegemony. In fact, the sole representative opposition in Nicaragua announced in late July that it would boycott the elections as long as the ruling junta refused to give it the guarantees it demanded.

The Democratic Coordinator alliance, a coalition of several Social Democratic and Christian Socialist parties free of any pro-Somoza sympathies.--and whose leader, Arturo Cruz, was a highly credible candidate for president.--sought a lifting of the "state of emergency" proclaimed in the spring of 1982 in response to military activities of the U.S. backed contras. The alliance also called for the opening of negotiations with the different opposition groups, including representatives of the anti-Sandinist guerrillas. The governmental junta rejected these two demands, deeming that the mounting foreign threat warranted maintaining press censorship and restrictions "temporarily" imposed on civil liberties and individual rights. Yet the fact is that this threat was then diminishing if anything, primarily because of the imperativeness of the presidential campaign in the United States.

The CIA's decision to abandon its mining of Nicaraguan harbors in response to pressure from the Senate,¹ the House's opposition to presidential requests for additional aid funds for anti-Sandinist guerrillas, the inability of the contras

to occupy and hold a part of the territory they were trying to wrest from the Sandanists and establish a provisional government therein, the acute nature of the contras' internal divisions, the sidelining of "Commander Zero" following the 30 May² assassination attempt, the Costa Rican Government's cautious, to say the least, attitude toward the ARDE,³ all of these factors run counter to the junta leadership's efforts at dramatizing the situation with a view to consolidating its power and fragmenting the power of its political adversaries.

Thus, once again, the foreign policy argument is being used by a tottering oligarchy to justify its governmental practices and shift the blame for its failures onto an external enemy. Strengthened, at the same time, is the just as simplistic argument being symmetrically exploited by the enemy, namely that the revolution is nothing more than a carrier of the germs of totalitarianism. In Nicaragua, ever since there has been a Sandinist front there--i.e. for more than 20 years--, and likewise today in El Salvador, Peru, or Guatemala, and tomorrow in many other points in the world, the injustice, extreme poverty, and terror imposed by the "haves" leaves exploited peoples hardly any other way out than resorting to armed force.

Neither one of these arguments is totally false. History is replete with examples reminding us that war of intervention has always stimulated the besieged revolution's authoritarian and terrorist reflex: Year II of the Mountain Republic [French Revolution], the Bolsheviks in communism's early years, the Stalinist drift of the Greek Resistance or Castroism. But at the same time, it is clear that totalitarianism does not issue solely from this mass psychosis of the besieged and that state-of-seige logic does not explain everything. With specific reference to Sandinist Nicaragua 5 years after the ouster of Somoza, we shall try to determine how much the regime's evolution was influenced by the international environment, by the initial courses of action taken by some of its leaders, and also, as a possible explanation for these courses of action, what blighted expectations and what frustrations have motivated Managua's current ruling revolutionary force for the past three quarters of a century (the first U.S. armed intervention dates back to 1904⁴). We shall do this from a viewpoint that transcends by far the case of this small Caribbean nation whose immediate future depends so little on European analyses.

Appropriated Revolution

It will be recalled that as early as November 1979, Jeane Kirkpatrick denounced, in a now celebrated COMMENTARY article, the totalitarian character of the Sandanist regime, contrasting the latter, and the Cuban model which reputedly inspired its action, with ordinary dictatorships she considers less inimical to human rights in the long run because they constitute a provisional and always revocable state of exception. One day or another, people do extricate themselves from the tyranny practiced by this or that representative of the well-to-do oligarchy, whereas totalitarianism offers no "return ticket". In the first case, democracy is put in abeyance, protected as it were for the future against the mortal danger to which the triumph of Marxist subversion would expose it. In the second case, democracy permanently disappears from the horizon of the peoples concerned.

As provocative as this distinction was within the context of the Carter presidency--at a time when the Democratic president had already admittedly retreated a great deal from his initial positions--it did have the merit of raising a real issue that had long been dodged by the West's progressive intelligentsia. When applied to Nicaragua, the reasoning of the future United States ambassador to the United Nations erred on two main points: the "provisional" has lasted in Nicaragua for nearly a half-century, except for a few brief liberal interludes; and, above all, the regime installed by the FSLN [Sandinist National Liberation Front] after the downfall of the last of the Somozas could not be considered totalitarian at the time of Kirkpatrick's article. Has it become totalitarian since 1979, thereby admitting a posteriori that she was right? If it has, what are the basic reasons for that evolution? If it has not, what are the odds that a pluralistic form of government will replace the very real dictatorship of the commandantes?

I do believe that Gilles Bataillon gave us a convincing answer to the first of these questions in his stimulating and temperate article in the review *ESPRIT*.⁵ His analysis, to be sure, deals with Nicaragua's internal situation in mid-1983.⁶ Since that time, things have not remained static, but nor has there been a decisive qualitative change. In the spring of 1984, the regime even clearly relaxed somewhat, as effectively underscored by Martha P. Baltodano, the national coordinator of the Nicaraguan Human Rights Commission. And she can hardly be suspected of excessive indulgence towards the Sandinist leadership.⁷ Gilles Bataillon wrote that Nicaragua had not yet become a totalitarian state comparable to the type currently existing in East European countries, Vietnam, or Cuba. In his view, the regime established by the FSLN since the turning point of 1982 can be described as a dictatorship of the totalitarian party. Of course, some will say that this is a subtle nuance and does not greatly alter the reality of the present situation. Agreed, but calling a spade a spade does not mean that one refuses to see that reality. It must be admitted, therefore, that the junta government, however oppressive it may be, is now still in a transition phase between its initial pluralism and stark totalitarianism. The whole question is whether this trend is irreversible.

The traits characterizing the dictatorial nature of the Sandinist Government are too numerous and too well-known to be disputed even for a moment. The continuous censorship of the sole daily opposition newspaper, *LA PRENSA*, tolerated by the junta is only the most benign of those traits. The following are infinitely more serious: the terrorist practices stemming from the state of seige or from the outrageous activities of the turbas--the shock troops of militant Sandinism--such as the witch-hunt for "Somozists"; the deportation or massacre of the Miskitos Indians; the people's courts, whose members are appointed by the government or by Sandinist organizations, deliberate in total secrecy and in the absence of the accused;⁸ the gradual abandonment of the humanizing measures introduced in the prisons after Somoza's ouster; the alarming increase in the number of cases of brutality and torture, and also in the number of "desparecidos" [disappeared] (more than 200 recorded in 1983 by the Nicaraguan Human Rights Commission). This inevitable wave of violence, wherever it rages--as it did not so long ago even in our countries with humanistic and liberal traditions--is the greivous price and penalty of civil war. Yet in

an effort to be completely objective, we must add that this violence is less brutal in Nicaragua than in many other Latin American countries, beginning with neighboring El Salvador and Guatemala. Furthermore, human rights violations cannot be compared to those committed by Somoza's National Guard during the final years of that dictator's rule.

Our purpose here is not to give a lurid accounting of the crimes committed on both sides against individuals in the name of liberty, justice, or simply law and order, but solely to be mindful of what the victory of a counterrevolution led by General Somoza's former loyal supporters could mean for the Nicaraguan masses. Like the Mountain leaders in Year II, or like the Bolsheviks in the early years of "warlike communism", the Sandinists are playing upon this White Terror psychosis which is admittedly being exploited for partisan purposes but is, nevertheless, justified by recent historical precedents--Chile immediately after the 1973 coup--and by what is happening today within other countries in the area.

So what we have is a dictatorship of the party in power, of a "party" which, after having long rejected that designation and flauntingly identified itself as a "front", has seen its totalitarian tendencies crystalize over the past 5 years. This change occurred first in its organizational structures. At the outset--during the final years of the Somoza era--the FSLN apparently consisted of three sharply distinct factions: the Castroism-inspired GPP (Prolonged People's War), the more traditionally Marxist "Proletarios", and the "Terceristas," the last movement to join the anti-Somoza ranks⁹ but from which many FSLN cadres and leaders emerged, including Daniel Ortega, the present coordinator of the ruling junta and the Sandinist presidential candidate.

All three movements professed to be Marxist, but with very different political agendas ranging from pure hardline Castroism to a system close to the one Chile's popular unity government had tried to develop. After the fall of the Somoza dictatorship, there was even reason to believe for some time that a Social Democratic wing, embodied by a man like Alfonso Robelo--who has since broken with the junta and become an exile in Costa Rica--was on the verge of developing within the Sandinist movement provided the latter openly resolved to reject the totalitarian temptation.¹⁰ The exact opposite happened, however. The imperative demands of the revolutionary struggle during the period the FSLN sought to gain power, plus subsequent international and external difficulties of every kind encountered during the 2 years following Somoza's ouster, classically produced, as a consequence, not only a break with the Social Democrats but also a radicalization of the FSLN as a whole and the alignment of its leadership with the positions of its hard core, the GPP, the real matrix of Sandinism ever since the formation of the FSLN in 1961.

This transformation of a revolutionary cluster of disparate groups into a monolithic organization dominated by Sandinism's most diehard, most dogmatic faction, resulted in a similarly oriented change in the Managua leadership's political and social agenda and plans. In 1981, Sergio Ramirez, one of the junta's most influential members, was still assuring a special correspondent of LE MONDE: "We prepared ourselves for a politically pluralistic and economically mixed system. Its radicalization is not in our program".¹¹ But he immediately qualified this statement, saying that the terms of reference would be modified if the "enemies of the process" failed to accept the revolution as an established

fact. Indeed, was it not this same Sergio Ramirez who, a year earlier, had set forth his idea of pluralism and democracy in these pithy terms: "We did not undertake our struggle simply to have elections every 4 years and change president regularly."¹² Hence no "orderly and peaceful change of governments, and no recourse to elections based on the "bourgeois" model, as explained by Humberto Ortega, brother of the junta's coordinator: "The elections we speak of are very different from those called for by oligarchies and traitors, conservatives and liberals, reactionaries and imperialists, a band of scoundrels Sandino called them... Mark well that our elections are meant to consolidate revolutionary power not to have it challenged, because power is in the hands of the people through their vanguard, the FSLN."¹³

In addition to its monolithic party and planned hegemony, the FSLN was also determined to control the masses by placing them into organizations directly subordinate to it. It, therefore, created the Sandinist Defense Committee (CDS) whose activities are supposed to be prescribed and coordinated by the government. In practice, however, these committees are increasingly serving as channels of communication for the transmission of directives and guidelines formulated by the central authority. Patterned after the defense committees of the Cuban revolution, the CDS constitute a quadrillage system based on the smallest territorial units such as the rural community or urban block. They have numerous functions, among them maintenance and surveillance of public facilities (roads, schools, hospitals, administrative buildings), as well as distribution of ration cards. The latter function gives the CDS considerable influence on those persons who depend on the good will of their leaders. While membership is not compulsory, a CDS recommendation does often prove necessary to obtain official administrative documents or certificates of birth, marriage, death, good conduct and character. This is indicative of the considerable ideological and moral pressure exerted by minor local officials who are devoted to the Front's policies by reason of self-interest as much as by conviction. Pending the longer-range effects of a Marxist-Leninist instruction given in the schools, this pressure is now a more effective means of controlling the masses than the direct propaganda disseminated by the government radio system and the Sandinist press. BARRICADA, organ of the FLSN, has a circulation of only 35,000 versus 70,000 for the liberal LA PRESNA. This vast program is not designed solely to mobilize the nation in the short run so that it can cope with the demands of economic reconstruction and the fight against the internal and external enemy. Obviously, this program no longer has anything in common with the program of the anti-Somoza coalition formed in 1979 to put an end to the dictatorship. It is the program of an organized minority that has become the principal beneficiary of the process of appropriating the revolution.

Internal Constraints, International Environment

The FLSN's totalitarian tendencies and its prodigious efforts to gain control of the country's principal activities are, therefore, an established fact. But to infer therefrom that Sandinist Nicaragua is a totalitarian regime or system is a step which, in my opinion, some observers are taking a bit too quickly. The same applies to those devotees of the big stick policy for whom the simplifying short cut and selective use of history provide an a priori justification for what they believe is the only possible stance under the circumstances, namely unconditional support of the contras and, if required,

direct military intervention. With at the end of the road, a likely return to "square one", namely a "provisional" dictatorship exercised by the victorious counterrevolutionaries who are just as hegemonic in their camp as the Sandinists are in theirs. The Sandinist regime is not, at the present time, totalitarian in the ordinary meaning of that word as almost universally accepted by political scientists and historians. It is not totalitarian in its repressive practices inasmuch as it has no system of physical and psychological terror established as an autonomous institution. Nor is it totalitarian in the way its ruling elite, not yet transformed into a self-reproducing privileged caste,¹⁴ exercises its control over the state and the society: no single party, no systematic regimentation of the masses and youth, and no absolute monopoly on information, news, and culture. Nor, lastly, is it totalitarian in its relations with the country's economic resources. The state's appropriation of the means of production and trade is paradoxically less prevalent than it was in the past when the late General Somoza and his clan personally possessed the greater part of the nation's wealth. Some will say that all these conditions are tendentially present in the current situation. Let us assume this is true. Let us even assume something of which I personally am less certain, namely that the point of no return has passed and that the present Sandinist regime has every chance of soon becoming the counterpart of its Castroite antecedent. And instead, let us ask ourselves how the anti-Somoza consensus of 1978-1979 was able to change into a dictatorship of the principal revolutionary force. The answer to this question is of great importance for the future of democracy in the world.

Did the revolution follow its "inevitable course" which, in the 20th century, would be to give rise to Red totalitarianism with its allegiance to Moscow? Or was it diverted from its course by foreign policy imperatives? This same question, as we know, was asked some 20 years ago about Cuba and its alignment with the Soviet Union. Today, the question, when applied to Nicaragua and more comprehensively to Central America, calls for a nuanced answer.

The difference from the Castroite evolution is due both to the nature of Sandinism and to the degree of tension in the international situation, although on this latter point things are not as simple as Gilles Bataillon suggests in his aforementioned ESPRIT article. Though it is obvious that the Soviet-Cuban rapprochement did, in fact, coincide with a powerful replay of the cold war, and though it is just as evident that "Somoza's overthrow was accomplished within a highly favorable international context,"¹⁵ it is no less evident that this context ended a few months later with the Soviet invasion of Afghanistan and the change in direction given to American diplomacy by President Carter. The consequences thereof for Central America are well known: the assignment of instructors to El Salvador, increased aid to Honduras where several hundred or several thousand¹⁶ Somoza National Guardsmen had taken refuge and soon organized themselves into small combat units operating on the other side of the border, and lastly, the suspension of economic aid to Sandinist Nicaragua. Of the \$156 million appropriated by Congress, only \$75 million was released in 1980. The rest of this aid was "suspended" by Ronald Reagan after his election, pending receipt of explanation from the Nicaraguan Government about its alleged armed support of Salvadoran guerrillas.

It is obvious that while elimination of the Somoza dictatorship did indeed still fit into a temporary framework corresponding to the United States' great post-Vietnam withdrawal, the same was no longer true the moment the Sandinists and their liberal Social Democratic, and Christian Democratic partners had to tackle the immense problems of reconstruction: the public treasury depleted by the dictator before his exile; the huge debt contracted by his administration; the severely damaged urban, rail, and highway infrastructure; lands abandoned by fleeing peasant farmers; etc. Even though the Sandinist regime's radicalization was not prompted solely by this disastrous situation, it certainly was inseparable from the immensity of the task to be accomplished and from the impossibility of successfully accomplishing it without foreign aid. Moreover, the international environment had become hostile once again.

To sum up our contention, we can say that in early 1980--slightly less than 6 months after the anti-Somoza coalition's victory--this environment was scarcely more favorable to the Sandinists than the environment which had served as backdrop to the totalitarian hardening of the Castroite revolution. We cannot see how the same causes would fail to produce the same effects, making all due allowance.

One other parameter must be taken into account, however. We refer to the very nature of the Sandinist movement. Unlike its Castroite antecedent, the latter did not wait until it had seized power and encountered its first internal and external difficulties before seeking ideological references and allies. Founded in 1961 during the revolutionary fever that followed the defeat of Cuban exiles at the Bay of Pigs, the movement is the product of a situation that accounts for the adherence of at least some of its leaders to what we call the "totalitarian temptation." The imperatives of the anti-imperialist struggle did not force or compel the commandantes to adopt Marxism-Leninism. In actual fact, they were committed from the very beginning to its fundamental principles and vision of the future. Furthermore, whereas Castro could count solely on his own forces at the beginning, Somoza's successors, on the other hand, were able--within the context of the general offensive countries of the Eastern bloc had been conducting for 3 or 4 years--to find reliable friends ready to help them: if not the USSR itself--it had better things to do than assume responsibility for a second satellite in the region--then at least its African and Cuban connections. Hence there was no improvisation as in Cuba, but a long 20-year period during which the Sandinist movement matured slowly, profiting from the experience of others: from that of the Cubans themselves who, judged by standards different than ours, were concerned more about social justice, satisfying basic needs, medical-sanitary improvements, and education, than about so-called "formal" freedoms, although the alternative here was not "communism or freedom" but rather "communism or a return to dictatorship of the oligarchy"; from that of Chile where the "unfinished" revolution and pluralism were, in our view, the precursors of destabilization and the conservative dictatorship; lastly from the experience of countries in which "probationary" democracy and military rule alternate without eliminating one iota of the effects of underdevelopment and enormous social disparities. For the revolutionary camp does have its equivalent of Kirkpatrick's notion that people can "extricate themselves" from dictatorship but not from totalitarianism. This equivalent concept holds that people can indeed escape for a time from the

tyranny of the "haves" or their uninformed operatives, but not from the underdevelopment on which the tutelary major power allegedly grows fat. I am not saying that this argument is flawless. What I do say is that this is the argument Sandinist leaders have been formulating--with variants and nuances--for two decades, and that it has a hold on the masses wherever their actual experience associates the effects of extreme poverty with the effects of a dictatorship of the rich.

But the experience acquired by the Sandinist leadership also stems from Nicaragua's past, in other words, from 70 years of North American domination, punctuated on three occasions--1909, 1912, and 1926¹⁷--by intervention of the U.S. Marines, and marked by the American creation of the Nicaraguan National Guard in 1933, a military force which soon became the matrix of the dictatorship. It was this National Guard that assassinated Sandino in 1934. Sandino was a charismatic revolutionary leader, a sort of mystical and courageous Garibaldi, a type of man Latin America is known to produce in abundance. The National Guard's commander, the first of the Somozas, used it as a springboard to assume power 3 years later.

Augusto Cesar Sandino's popularist, evangelical, and anti-Yankee radicalism was quite readily adopted by the Marxist guerrillas on the front bearing his name. Sandino, the illegitimate son of a mestiza peasant woman and a village notable, wrote in 1931:¹⁸ "We are communists for the most part." But not communists like Augustin Farabundo Marti, a Salvadoran who, unlike Sandino, had close ties with the communist International. Sandino was, in fact, denounced by the latter for his excessive independence and had to face one of those defamatory campaigns in which the Kremlin was so adept. "A united front, that is our motto," he wrote in 1929. "Such being the case, it is not illogical for us to try to obtain the cooperation of all social classes in our struggle."¹⁹ This was certainly not a very orthodox view at a time when the watchword "class against class" had gained wide acceptance within the Comintern.

Does this mean that the "frontist" strategy the Sandinists adopted when they created their movement was designed solely for elimination of the Somoza dictatorship? After which, they would employ the "salami" tactic [cut off bit by bit] to rid themselves of troublesome allies who were temperamentally incapable of lastingly participating in the revolutionary process. Some of the FSLN leaders--particularly those belonging to the GPP's pro-Castroite wing--were able to accept this tactic as a medium-term approach. But they were not the entire Sandinist Front. And furthermore, they were much too aware of the fact that such an approach could put the revolution at risk. So they wisely chose not to lay their cards on the table immediately after having eliminated Somoza and his praetorian guard.

We must remember that the "salami" tactic has worked primarily where Soviet troops were able to guarantee the procedure's effectiveness by their presence or proximity. Even though Cuba was near, even though the Sandinist Front's African and East European friends were fully prepared to furnish it arms and "technical advisers," the leadership in Managua was not blind, however, to the fact that the United States was the dominant power in the region and could not long tolerate the emergence of a second Cuba. This accounts for the

prudence displayed by Sandinist leaders in their words and deeds until the moment when it became clear to them that Washington was changing the way it dealt with them, not because they had taken a few decisive steps toward totalitarianism, but because the United States had to give Moscow and Havana unequivocal signs of its determination.

From that moment on, there was a chain reaction of decisions and responses, as was the case in Cuba in the early 1960's. Washington's initiatives--suspension of economic aid, then increasingly more pronounced support for the counterrevolutionary guerrillas--spurred the Sandinist regime's radicalization process. Radicalization, in turn, gave Reagan's America the pretext of liberty being stifled, an excuse it used to back the predominantly Somozist guerrillas operating at the Honduran border against the Sandinists.

What Should be Done?

What lesson should those responsible for the present situation draw from this process, a lesson not merely for Nicaragua's immediate future but for the future of other countries in the region, countries in similar socio-economic circumstances, and in the longer term, for the future of freedom and democracy in the world?²⁰

Nicaragua is relatively isolated at the present time, inasmuch as moderate countries of the isthmus, Venezuela, and Columbia are worried today about the risk of revolutionary contagion²¹ and European Social Democrats, including those in France, are much less well disposed toward the Sandinists than they were a year or two ago. Considering this isolation and the ratio of forces in the Caribbean area, the Sandinists hardly have any other choice but to check the regime's trend toward totalitarianism; as they started to do in the spring of 1984. Can they go much further, the logic of the blocs being what it is? Nothing is less certain. We repeat, however, there is no other solution. There is every likelihood that Ronald Reagan will be reelected in November. Like Nixon after his landslide victory in 1972, Reagan will have a freer hand in implementing policies of his own choosing. Hence if the Sandinists take one more step toward totalitarianism and alignment with Eastern bloc countries, such action would probably prove fatal.

The United States has somewhat broader scope for maneuver. We shall leave aside the highly improbable hypothesis of direct military intervention. In addition to American public opinion's acquiescence--still out of the question as things now stand--such intervention would imply disaffection among the masses toward the Sandinists, a condition that is far from evident for the moment. Pure and simple acceptance of the status quo is scarcely more conceivable. Apart from comprehensive but highly problematic negotiation with the various countries actively involved, including the USSR and Cuba, there are only two other possible solutions both of which have to do with the aid given external counterrevolutionary forces.

The first is undoubtedly the most effective in the near term and the most catastrophic in the long run. It is the solution chosen and attempted until recently. It calls for increasing assistance to the guerrillas in the north supported by reactionary Honduras. This solution has every likelihood of

resulting in a more or less disguised restoration of the dictatorship. It is actually hard to see how the Americans would be able to force democratic institutions upon Managua in a bitter civil war environment when such institutions find it difficult to take root elsewhere in less disordered environments.

The other solution would consist in more vigorously supporting the other guerrilla force, the men of the ARDE, former Sandinists disenchanted by the way the regime had changed, and comrades in arms of Eden Pastora and of Brooklin Riveira, the leader of the Misurasata organization of the Indians on the Atlantic coast. Operating from democratic Costa Rica, these Leftist adversaries of the Sandinists have the advantage of being less suspect in the eyes of the Nicaraguan people--especially among the rural masses--of being the harbingers of a Somozist restoration, or of simply wanting to question the positive achievements of the revolution. Up to now, however, the CIA has doled out its aid to ARDE in dribbles. Yet does not the ARDE--a group likely to join forces with a liberal middle class that sufficiently demonstrated to what extent it was hostile to Somozism--provide the nucleus of a "third force" without which there will never be any other alternative to communism in the poor countries of the Latin American world than the open or disguised dictatorship of the enemies of all social change?

FOOTNOTES

1. On 10 April 1984, the U.S. Senate passed by a vote of 84 to 12 a resolution demanding a halt to the sabotage of Nicaraguan ports.
2. Eden Pastora, former deputy minister of interior in the Sandinist Government, has been fighting to topple that government for the past 2 years. He was wounded on 30 May 1984 by a bomb of unknown origin in a rebel camp in southern Nicaragua.
3. ARDE: Revolutionary Democratic Alliance.
4. In 1904, using the pretext of an internal struggle between conservatives and liberals, the U.S. Government dispatched naval forces to Nicaragua, thereby contributing to the overthrow of the government in office. The following year, a detachment of U.S. Marines occupied Bluefields, a city on the Atlantic coast.
5. Gilles Batallion, "Nicaragua: From Tyranny to Dictatorship of the Totalitarian Party," ESPRIT, October 1983.
6. The author said his article was based on the situation as of July-August 1983.
7. See Marcel Niedergang's article "Nicaragua, Blood and Tears. Power is Not Shared," LE MONDE, 4 May 1984.
8. According to Martha P. Baltodano, the people's court tried 385 cases in 1983 and handed down only 16 acquittals.

9. They did not join the Sandinist Front until 1976.
10. In October 1979, A. Robelo said: "I am for socialism but not for totalitarianism. If there should be any deviation on the issue of human rights and freedoms, I would not stay in the government." Yet at the same time, he professed to be ready "to join a Sandinist party whenever it is formed." See J.-P. Clerc, "Nicaragua Steers to the Left. Reconstruction of a State," LE MONDE, 11 October 1979.
11. F. Pisani, "Nicaragua: Hour of Truth. Radical Bent," LE MONDE, 19 June 1981.
12. Quoted by Charles Vanhecke in "Nicaragua, the Appropriated Revolution. Tomorrow Pluralism," LE MONDE, 5 January 1983.
13. Quoted by G. Batallion, op. cit., p 50.
14. Even though it already has various perquisites, such as official car, an official residence (apartment or villa), access to special sources of food and other supplies, etc.
15. G. Batallion, op. cit., p 52.
16. Estimates vary between 400 and 3,000, depending on the source.
17. Leslie Manigat, "L'Amerique latine au XX ieme siecle, 1889-1929" [Latin America in the 20th Century, 1889-1929], Paris, Richelieu-Bordas, 1973.
18. In a letter dated 12 May 1931.
19. Letter to Gustavo Alleman Bolanos, quoted by Philippe Videlier in "Nicaragua's Guerrilla Mystique," LE MONDE, 26-27 February 1984.
20. For consideration of the long-term aspects, I refer the reader to my article "Washington and Central America: the Interventionist Temptation," POLITIQUE INTERNATIONALE, summer 1983, pp 25-38.
21. On this particular point see Guy Hermet's article "Central America is Worth More Than a Few Fine Gestures," POLITIQUE INTERNATIONALE, autumn 1983, pp 143-152.

8041

CSO: 3248/116

BRIEFS

ALGERIAN TRADE CONTACTS--Algeria and Nicaragua will soon expand trade and will reactivate the work of the bilateral mixed commission in order to increase their economic and financial contacts. Alejandro Martinez Cuenca, the Nicaraguan foreign trade minister, said in Algiers that he is pleased because he has found political solidarity for Nicaragua among the Algerian authorities at a time when his country is experiencing grave tensions and threats. [Text] [Havana International Service in Spanish 0000 GMT 29 Nov 84 PA]

CSO: 3248/145

UNIONS DENY 'HOODWINKING' IN ACCEPTING LOW WAGE OFFER

Castries THE WEEKEND VOICE in English 27 Oct 84 p 1

[Text]

THREE organizations here, representing bodies of various employees have reacted to statements they say were reported in the CRUSADER, newspaper organ of the Progressive Labour Party (PLP) — last week claiming that the organizations had accepted low wage increases and have attempted to hoodwink their members.

In a statement released this week the St. Lucia Teacher's Union (SLTU), the National Workers Union (NWU) and the Civil Service Association (CSA), said that the report was "malicious and misleading" and sought to sow seeds of confusion and disunity among the unions and their members.

A spokesman for the Unions said that the report was a result of the Unions' refusal to "fall in line with the political escapades of the Crusader Editorial Board."

"The Unions wish to make it clear that they will not allow any disgruntled politicians from any political party here to sow confusion and disunity in the ranks of their membership for selfish political ends," said the spokesman.

Alfred Jn Baptiste, President of the St. Lucia Teachers' Union said that the Unions should on contrary be complimented for their efforts to secure suitable increases for their members.

"The Unions know the full history of the negotiations with government," he said, "and their absurd offers of 0%, 2½% and 6% which were made. Therefore, bearing in mind the precise

economic situation and the general trend in the region, the Industrial Solidarity Pact (ISP) Unions should be complimented for being able to secure 20% 30% for their members."

This was only done, Jn Baptiste said as a result of the unity and co-operation of the Unions, which he said outside forces were trying to disrupt.

The statement added that it was the obsession of personal ambitions which clouded the analyses of politicians "with bitterness," and made them "devoid of sound reasoning."

"Consequently, they are attempting to destroy the strong bond of unity among the members of the most militant Unions which undoubtedly, if successful will only render to benefit the employer."

"Ironically, it is the same Crusader which on November 21, 1984 criticised the government for giving the daily paid workers a 60% wage increase, claiming that it was too high and that the economy could not afford it," concluded the statement which was signed by Jn Baptiste, Tyrone Maynard of the NWU and David Demarque of the CSA.

CSO: 3298/173

LAYOFFS AT VIEUX FORT PLANT PROMPT WORKER RETALIATION

Castries THE WEEKEND VOICE in English 27 Oct 84 p 1

[Article: "V/Fort workers 'Seizes' Plant"]

[Text] UPWARDS to press, some 40 workers were still occupying the factory building of CARICOM Marketing in Vieux Fort.

The workers who are members of the National Workers' Union (NWU) are protesting proposed lay-offs by management and reported attempts to transfer the factory equipment to Soufriere.

The VOICE understands that employees took over the building Thursday and have refused to leave until Prime Minister, John Compton intervenes to discuss their future with the Company.

At press time yesterday, Company Chairman Ira d'Auvergne and other concerned parties were holding urgent meetings in order to reach an amicable settlement. There has been no official word from the NWU.

[Editor's Note: The Castries CRUSADER of 27 October, in its front-page story on the proposed layoffs, makes no mention of a workers "seizure" of the plant. It says that 47 workers were laid off during the week and reports that the plant has since been picketed, and it adds that "a group of workers acted promptly in rounding up all the workers in order to prevent the removal of the machinery."]

CSO: 3298/173

POLICE COMMISSIONER 'ARROGANT' IN DENYING ENTRY TO HECTOR

Castries CRUSADER in English 27 Oct 84 p 2

[Editorial]

[Excerpts] It is strange how the mantle of office can transform men into almost intolerable creatures.

Our Commissioner of Police seems to be running the dangerous risk of becoming a law unto himself seeing no need to justify any of his actions or to give reasons for any of his high handed decisions. One might explain his lofty hot-line-to-God attitude in terms of his intense U.S. training which places an undue emphasis on the question of Security. Almost everything can be done in the name of "Security" however illegal, however unfair. Security has become a blanket for the invasion of privacy, the infringement of all human rights and the destruction of the essential pillars of democracy.

Recently the issue of the despatch of some St. Lucian students to Libya provided an opportunity to see the administration of justice at its worst in St. Lucia. The Police Commissioner in collaboration with the Prime Minister seized the passports of the students who were enroute to Libya. No charges were ever laid against the students since it is unlikely that laws would exist on our statute-books preventing persons from travelling to such destinations. The Police Commissioner adopted an Olympian attitude and said that he had no explanations to give to anyone. He had seized the passports and that was that! He could give no indication as to whether the passports would ever be returned. The unfortunate persons affected by this infringement of their right of citizenship and their freedom to travel became non-persons in the community. There was no sound legal basis for the seizure of their passports but the Police has consistently adopted the attitude that the letter of the law is irrelevant where questions allegedly relating to "Security" are concerned.

The same kind of arrogance which the Commissioner of Police had displayed in his handling of this issue is also reflected in his day-to-day administration.

Last week the Progressive Labour Party wrote a letter to the Commissioner of Police informing him of their intention to invite Mr. Timothy Hector of Antigua to give the Feature Address at a Rally commemorating the death of Maurice Bishop. The letter met with no response from the Commissioner but on

the day of the event the Immigration Authorities contacted Antigua advising the airlines that a ticket should not be sold to Mr. Hector since he would not be allowed to land in St. Lucia. Up to this day the Commissioner has not responded to the Party's letter and information on the order against Mr. Hector came from Antigua with the St. Lucian organisers blissfully unaware of the prohibition. When contacted the Police Commissioner simply said in his usual arrogant and brusque manner: "All I am saying is that Mr. Hector will not be allowed to land here."

This is really making short shrift of the right of a Caribbean Man to move freely among the Caricom islands. Mr. Hector has lectured extensively in Canada and the United States. He is the Leader of a well-known political organisation in Antigua - The Antigua Caribbean Liberation Movement. He is the publisher of one of the most informed newspapers in the Caribbean - The Outlet and his standing is high in Caribbean academic circles. What is the justification for imposing such a ban on a Caribbean national when adventurers, schemers, Mafia operatives and ordinary criminals from all over the world are allowed into St. Lucia? What is more is that the Government and the Commissioner of Police feel no obligation to let the public know whether there is a specific reason for the ban or whether it is an arbitrary decision of the Police Commissioner designed at protecting the political status-quo in some curious manner. That is arrogance of the highest order and it is important for institutions such as the Police, and the Judiciary to appear to operate independently of the direct dictates of the Prime Minister, decisions must appear, as much as possible, to be based on laws and principles and not on the whim of a nervous Prime Minister and an accomodating Commissioner of Police.

CSO: 3298/173

TEACHERS' UNION IN DISPUTE WITH MINISTRY OF EDUCATION

Castries THE WEEKEND VOICE in English 27 Oct 84 p 1

[Text] THE St. Lucia Teachers' Union has accused the Ministry of Education of attempting to undermine the constitutional authority of the Teaching Service Commission (TSC).

This time, the Union says that the Ministry is using bureaucratic dilatory tactics in order to frustrate and, if possible, deny certain people appointment in the Teaching Service.

"A specific case in point," said General Secretary of the Union, Alfred Jn Baptiste, "involves an individual who is a qualified teacher (by profession) who applied approximately 10 weeks ago to re-enter the teaching service.

According to the Teaching Service Commission Regulations Statutory Rules and Orders No. 41 of 1977, section 4:

1. All applications for posts in the Teaching Service shall be forwarded on the form prescribed.

2. The Secretary (of the TSC) shall--in all cases forward all applications to the relevant authority who shall submit comments and recommendations to the Secretary of the Commission through the Permanent Secretary;

3. The Permanent Secretary, shall return with the minimum of delay all the applications with such recommendations and comments to the Secretary."

Despite the stipulation in Section four, sub-section three, of the regulations that all applications must be returned to the secretary of the TSC with the minimum delay, (by the Permanent Secretary), the application of the ex-teacher is still lying in the Ministry after eight weeks.

The Union wishes to make it known, that it will not allow the Ministry to bypass and/or undermine the rules governing the Teaching Service especially on matters which relate to the appointment of individuals.

Such issues (appointments, promotions, and dismissals) can be scandalously abused if they are to remain in the domain of the Ministry and its political directorate.

It is precisely for this reason, that such authority resides only in the Teaching Service Commission and rules governing such matters have been established. Therefore, any efforts aimed at by-passing, undermining those rules or the employ of dilatory tactics, shall be exposed.

CSO: 3298/173

ST VINCENT AND THE GRENADINES

MITCHELL REITERATES CRITICISM OF U.S. 'MILITARIZATION'

Port-of-Spain TRINIDAD GUARDIAN in English 17 Nov 84 p 5

[Article by Dan Sewell]

[Text] KINGSTON, Fri., (AP)--THE CARIBBEAN'S newest leader says the United States should send funds for development, not firearms for defence, to avoid future crises in the region. "I am not happy at all with increased militarisation in the Caribbean. We have development needs that come first. We are in a race against time."

We have got to deliver to our people or the crisis will grow again," said Prime Minister James "Son" Mitchell, of the multi-island nation of St. Vincent and The Grenadines.

Mr. Mitchell referred to \$20 million (U.S.) spent by Washington for military assistance to the English-speaking Caribbean this year. Besides providing automatic weapons, vehicles and patrol boats, U.S. experts have been training some Caribbean defence forces, in the aftermath of the 1983 Grenada crisis, in which the United States invaded the tiny island following a bloody radical army takeover.

Age-Old Lesson

"I can understand that the U.S. doesn't want us to have to call the cops again. But I rather take my chances with cash for development.

"Grenada's problem was that they had an army. From the time of Ceasar until now, the armies always eventually want to take control of the country, is the age-old lesson: You live by the sword, you perish by the sword.

"I prefer to be out of politics than have to depend on the military," Mr. Mitchell, who supported the U.S. invasion, said in an interview here, after returning in early October from a trip to Toronto and Washington.

Mr. Mitchell, 53, surprised the region on July 25, when his nine-year-old new Democratic Party ousted the Labour Party Government by winning nine of 13 seats, after holding one in the previous Parliament.

He has quickly stepped forward as a regional activist, hosting an August meeting of the Barbados and Saint Lucia Prime Ministers and, leading moderate Grenada politicians. The meeting produced a merger of three moderate parties for Grenada's elections.

Willing to Talk

Criticised by Grenada's leftists and the right-wing former Prime Minister, Sir Eric Gairy, for interference, Mr. Mitchell defended the meeting; saying: "As Grenada's closest neighbour, we have a great stake in its stability. I want to make sure the people of Grenada get a good government. I'm willing to talk with any Grenada politician."

Mr. Mitchell has announced plans to study possible changes in the parliamentary system "imposed" on the region by its former British colonialists. His suggestion that Grenada form a constitutional commission to study changes before holding elections was discarded, but he feels elements of the French and U.S. political systems might benefit Caribbean Governments.

While Mr. Mitchell has been outspoken in criticising the U.S. arming of islands in the region, he recognises the U.S. importance and influence in the region.

"Where else are we going to get the help we need for development? Russian cruise ships come to the region, but Russians don't come in and spend money.

"I think the Cubans had their hands burned in Grenada, and they'll be very leery about giving much assistance to any other country in the Caribbean," he added.

"I am not saying we will go along with every international position the United States takes. We will look at them as we go along," he said, adding criticism of the Reagan administration plan to withhold social aid from nations that promote abortion.

"That abortion policy is all very well for sophisticated U.S. political opinion, but when you get into poor countries where 30 per cent of the children are being borne by teenaged mothers; when you go into the countryside and meet a 17-year-old girl pregnant for the third time because of ignorance, then you wonder."

Mr. Mitchell inherited an estimated \$75 million (U.S.) debt and a Government he said was rife with corruption and inefficiency. He is looking to curtail heavy Government involvement in milk sugar and other enterprises in one of the region's poorest nations. Unemployment is more than 25 per cent and the per capita income is about \$525 (U.S.).

To build tourism and export agriculture, he would like to have a new international airport for St. Vincent, which with U.S. completion of the mostly Cuban-built Grenada airport has become the only nation in the Windward Islands without one.

He admitted that the odds are against St. Vincent attracting the funds needed for such a project, but he argued that the best way for the United States to ensure against future problems on the tiny islands in the strategic region is "massive injections of aid now, instead of dribbles over the years."

CSO: 3298/177

REPORT OF CUBAN ARMS IN TOBAGO BRINGS DENIAL FROM DAC

Government Meeting With Robinson

Port-of-Spain TRINIDAD GUARDIAN in English 17 Nov 84 p 1

[Text] THE DIRECTOR of Public Prosecutions, Mr. Clebert Brooks, said yesterday, he views "with a great deal of seriousness" the arms cache story published by the 'Tobago Informer' newspaper, and has indicated that some action would be taken on the matter.

Mr. Brooks made his views known to Mr. A.N.R. Robinson, leader of the Democratic Action Congress (DAC) and Chairman of the Tobago House of Assembly, when they met yesterday at the request of Mr. Robinson.

Mr. Robinson also discussed two other matters with the DPP--an anonymous letter mailed to Tobago from Trinidad, making some allegations about Mr. Robinson which he has branded as "absurd," and, a paper that has been circulating in Tobago, bearing the name of a PNM candidate in the upcoming House of Assembly elections.

According to Mr. Robinson, the DPP assured him, "that he will be in touch with me very urgently with a view to taking some action on those matters."

A Police Matter

Meanwhile Acting Police Commissioner Clive Sealey said yesterday he had no statement to make on the report appearing in the Tobago weekly that a Cuban vessel had delivered arms at King's Bay, Tobago.

He said it was a Police matter and he was in touch with the Minister of National Security about it.

The Democratic Action Congress has lodged strong objection to the report and called on the Commissioner of Police to take appropriate action.

Paper's Affirmation

Port-of-Spain TRINIDAD GUARDIAN in English 17 Nov 84 p 1

[Text]

WHEN asked about the controversial report appearing in the 'Tobago Informer' of Tuesday November 13 about a consignment of arms being smuggled into Tobago, Dr. Winston Murray, editor-publisher of the weekly said he had researched the story himself and was satisfied of its authenticity.

Dr. Murray, however, refused to disclose his sources or to indicate whether any of his informants had actually seen the Cuban vessel entering Kings Bay, as the report stated, or the consignment of arms entering the island.

OWN CAPITAL

He vehemently denied charges by Mr. A.N.R. Robinson, Chairman of the Tobago House of Assembly, that he was an agent of the PNM and had been appearing on PNM platforms.

"I am not a member of the PNM, I have never appeared on a PNM platform," he said. "I attended the

PNM convention and rally as a journalist just as other members of the media did.

"Also, the PNM is not financing my paper in any way," Dr. Murray added. "I raised my own capital to start the 'Informer' and I am in complete control of it. No one is dictating to me what I should put in it."

Dr. Murray denied that his paper was anti-DAC, although by its "scientific analysis" he had exposed wrongdoing by that party in Tobago.

"As a result, there is a concerted effort by members of that party to close down my paper," he said.

Dr. Murray said he had been seriously libelled in a letter written to the Commissioner of Police by Mr. Robinson in which he is referred to as part of "a criminal element in the PNM seeking to subvert the democratic process."

He said he was planning to take legal action in that matter.

Chambers' Comment

Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 84 p 1

[Article by Clevon Raphael]

[Text]

PRIME MINISTER George Chambers yesterday warned that he would not permit violence to disrupt the present campaign for elections to the Tobago House of Assembly.

Mr. Chambers, who spoke at a Youth Rally of the ruling People's National Movement (PNM) which is trying to wrest control of the Tobago House of Assembly from the Democratic Action Congress (DAC), also told a large audience at the Charlotteville Recreation Ground that fear and terror was stalking the sister island.

He reiterated that two of the main issues facing the electorate in Tobago in the November 26 elections were the threat of secession and accountability of the THA.

The meeting was held about three miles from where the DAC held a Sportsrama at the Speyside Recreation Ground.

Mr. Chambers, in his capacity as Political Leader of the PNM, disclosed it was not part of the PNM political strategy to engage in violence at political campaigns.

He continued: "We have never done it, and it is most regrettable, when you unleash force, fear, hatred and terrorism no individual can control it — once you unleash it.

"Tobago is too tranquil a place — Tobago is too beautiful a place —

Tobagonians are too independent a people to allow these things to continue. I give you in Charlotteville the unqualified assurance that PNM under my leadership will never resort to violence of any kind in an election, or out of an election.

IN BAD TASTE

But I also give you the assurance as the Prime Minister that I shall not in the name of the people of Trinidad and Tobago permit violence to interfere with an election.

On the question of secession, he argued that the people of Trinidad and Tobago would not benefit from the break-up of the Unitary State of Trinidad and Tobago.

Continuing, he said, "You have no

assurance, except such assurance as you would see in the PNM manifesto, that the PNM will preserve the Unitary State; nobody else has given you an assurance of that."

Mr. Chambers, who attacked the publication of a picture of the President of Trinidad and Tobago in a manifesto of the DAC (although he refused to describe it as a manifesto) said the President was above party politics, and it was the worst example of political bad taste that he had seen in his political life.

Dealing with criticisms levelled at him sometime last week at a meeting at Woodford Square held by the National Alliance for Reconstruction (ANR) at which the DAC presented its 12 candidates that he was not entrusted with figures (when he was Parliamentary Secretary in the Ministry of Finance), Mr. Chambers quoted from a Cabinet paper which showed that during that period he was directly responsible for the operations of the Public Accounts Committee, the Report of the Auditor General and Expenditure, and the Tenders Board.

He told his audience at the Youth Rally that fear and terrorism was the most unfortunate development in the election campaign.

This had never been the case in the 28 years that the PNM had been campaigning, he said.

Mr. Chambers said that although his name was being used throughout the campaign he was not one of the candidates, and that the Opposition should concentrate instead on giving an account of the \$1.4 million allocated to the Tobago House of Assembly over the past four years.

The Youth Rally was attended by a large number of participants from Trinidad, and was also addressed by a number of Government Ministers.

During the past week there have been reports of minor acts of violence at political meetings.

Yesterday's rally was one of a series conducted by the various parties contesting the election.

The National Joint Action Committee (NJAC) the third party in the election, has been concentrating mainly on spot meetings.

ONR Leader's Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 84 p 1

[Text]

THE People's National Movement (PNM) is leaving no stone unturned in its election campaign in Tobago against the Democratic Action Congress (DAC), and against the democratic life of the people of Trinidad and Tobago.

This was stated on Saturday by Political Leader of the Organisation for National Reconstruction (ONR), Mr. Karl Hudson-Phillips, as he addressed a special conference at ONR headquarters in Port-of-Spain attended by ONR councillors, aldermen, past candidates, constituency organisation chairmen and party organisers.

Mr. Hudson-Phillips told the large turnout that "the whole thing" has gone totally crazy, but it's what we have to expect, and we have to be prepared for a nasty battle in the coming general elections.

The ONR leader accused the PNM of "a naked use of power" and "the open use of State funds for political purposes."

Secession and accountability, he said, were manufactured by Prime Minister George Chambers.

"I don't know who is their strategist, but they are using the same man Murray, who, on December 31, 1978, raised his own flag and proclaimed Tobago as a separate State.

He recalled also the 1976 statement by the late Prime Minister, that it was not whether Tobago wanted to divorce Trinidad, but when Trinidad decided to divorce Tobago.

Robinson Disavowal of Violence

Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 84 p 1

[Article by Clevon Raphael]

[Text]

Scarborough:
THE DEMOCRATIC Action Congress has never used or advocated violence and has always pursued the peaceful and constitutional path to change.

MR. A.N.R. Robinson, Chairman of the DAC, underlined this in a prepared statement he delivered at a news conference yesterday afternoon in response to comments made by Prime Minister George Chambers reported in yesterday's "Trinidad Guardian."

Mr. Robinson, speaking from his office in Scarborough, claimed that even before the Tobago House of Assembly election campaign had begun, it was clear that the PNM had begun to orchestrate its own themes for the elections, attempting to link the DAC with veiled accusations of secession, communism and violence.

These themes, he continued first appeared in the defunct "Challenge" newspaper and later in the "Tobago Informer." Allegations began to appear of mysterious arms deposits in Tobago.

ANONYMOUS LETTERS

"It is against this background of

propaganda that Mr. Chambers began his visits to show Tobago who is Prime Minister and was often seen in the company of Dr. Winston Murray with whom he was previously associated while he was Minister of Agriculture.

"Numerous anonymous publications began to appear on the scene after Mr. Chambers's visit charging members of the DAC with murder, arson, rape, secession, violence and communism.

"These anonymous letters have been used by the PNM campaigners in house-to-house campaigning. Copies have been handed over to the police but as of date no action has been taken."

Mr. Robinson also contended that Mr. Chambers, in an unprecedented move, adopted an improper and dangerous practice of importing thousands of strangers into an election campaign in which they do not have the right to vote.

He added:

"The irresponsible and provocative behaviour of these strangers on platforms and in the streets with roving microphones and the house-to-house campaigning have produced the most bitter atmosphere in the history of elections in Tobago

GUARDIAN Comment

Port-of-Spain TRINIDAD GUARDIAN in English 21 Nov 84 p 8

[Editorial]

[Excerpts]

ELECTION campaigns, even in the most advanced democracies, are invariably robust affairs.

These open confrontations exploit divisiveness, often feed on animosities, sometimes deal in outrageous untruths and contain the seeds of explosive situations.

ENTHUSIASM

Having said all that, we must still express our concern over the unsavoury turn which the campaign for elections to the Tobago House of Assembly has taken.

To begin with there is not

only talk of violence but incidents at campaign meetings which clearly indicate that political tensions are running high and that a situation has developed which requires positive steps from the leaders of both sides to control.

Both Mr. Chambers and DAC leader A.N.R. Robinson have openly declared their stand against elections violence and we further urge them to ensure that their over-zealous supporters contain their enthusiasm within legal bounds and refrain from acts that are likely to exacerbate the already volatile situation.

It seems quite contrary too that such incidents should be

disturbing the traditionally tranquil air of Tobago, but it is important for us to realise that the present tension in the sister isle is not an overnight phenomenon born of elections fever.

The roots go back over an unfortunate series of political developments which have been complicated by the peculiar composition and nature of the Tobagonian society.

It must be considered as unfortunate that even now a large section of the island's population has apparently never accommodated itself mentally and otherwise to the fact that it belongs to the unitary state of Trinidad and Tobago.

But whatever their grievances may be, however much they may dislike Trinidad and Trinidadians, those who display such insular and clannish attitudes and harbour ideas of secession must know that there is really no viable future in such dreams.

And politicians who play on simple minds and encourage such breakaway aspirations, for whatever reasons, should be aware that they are simply sowing the wind.

In a statement to the press earlier this week Mr. Robinson said the DAC has never used or advocated violence and has always pursued the peaceful and constitutional path to change.

Addressing a youth rally at Charlotteville last Sunday, Mr. Chambers said his party was committed by a pledge in its manifesto to preserving the unitary state of Trinidad and Tobago.

We accept these two statements fully, expecting that both parties, regardless of the elections results, will continue to live by them.

MORE ON BITTERLY FOUGHT TOBAGO ELECTION CAMPAIGN

Robinson 'Terrorism' Charge

Port-of-Spain TRINIDAD GUARDIAN in English 16 Nov 84 p 1

[Text]

CHAIRMAN of the Tobago House of Assembly (THA) Mr. A.N.R. Robinson yesterday charged a reign of terror was being waged against the party's supporters.

Mr. Robinson, Political Leader of the Democratic Action Congress (DAC) which is defending its control of the THA in the November 26 elections to the THA, said:

"The DAC has not organised any group of people in Tobago to attend public meetings with the sole purpose of heckling candidates of other parties contesting the elections.

"We are conducting our campaign with the usual dignity, decorum

and decency."

"We fear that a reign of terror against our supporters is the real purpose of these reports, and we expect arrests to be the order of the day," he said.

Meanwhile the wife of a DAC Assemblyman appeared in court yesterday reportedly charged with disorderly behaviour which allegedly took place at a People's National Movement (PNM) meeting in Tobago, Wednesday night.

She was arrested at school yesterday morning and taken to court where she was granted her own bail and is to reappear in court next Monday.

Panday Criticism of PNM

Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 84 p 16

[Text]

SAN FERNANDO:

THE People's National Movement (PNM) is only "hanging on to power in this country," Opposition Leader Basdeo Panday said yesterday.

He alleged that Government Ministers were campaigning in Tobago and that is why the country's business could not be attended to — the Senate meeting had to be called off after 15 minutes on Tuesday.

Mr Panday said that "the whole country" is waiting to see what will happen in Monday's Tobago House of Assembly elections "and the PNM knows that if it lose it will spell defeat

for them in the next general elections."

Mr Panday charged that the PNM supporters were distributing anonymous pamphlets containing false information.

"If I have to endanger the nation to win an election, then I would prefer to lose" commented the Opposition Leader.

He said he was disturbed over the way the PNM campaign was being conducted in Tobago and believed that "they are only hurting the sister island."

Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 84 p 18

[Text] EDUCATION MINISTER Overand Padmore has accused the chairman of the Tobago House of Assembly (THA) Mr. A.N.R. Robinson, of "playing fast and loose" with the unitary state of Trinidad and Tobago.

Mr. Padmore who was speaking at the People's National Movement (PNM) youth rally at Charlotteville, in support of the party's candidate for the November 26 elections to the THA, also echoed the PNM's theme that the two main issues in the elections were accountability and the threat of secession.

The minister, who claimed that the THA under the DAC failed to achieve its objectives set out in their 1980 projected programme of works, said the DAC requested \$500 million to do certain things over a period of five years.

SECESSION

He continued: "But they got \$715 million in three and three-quarter years and where are the objectives they set out to achieve. You ask them to show you what they did with that money."

Backing his contention that secession was a real possibility under the DAC, Mr. Padmore referred to a resolution passed in the THA by a 10-4 majority (the four voting against being the PNM members of the THA) for a "just settlement" in the relationship between Trinidad and Tobago.

The document which was sent to the Prime Minister by the THA

chairman noted that failing this "just settlement" there would be no alternative but to pursue independence for the sister island.

Mr. Padmore recalled that Mr. Chambers replied to Mr. Robinson stating that Government was committed to preserving the unitary state of Trinidad and Tobago.

Recalling that at the PNM's September annual convention in Tobago a resolution was passed reaffirming that the PNM was committed to preserving the status quo, Mr. Padmore charged that the DAC was yet to publicly do so.

Still on the campaign trail, Mr. Ashton Ford, Parliamentary Secretary in the Ministry of Works, Drainage and Maintenance, speaking at a public meeting Monday night in support of the party's candidate for the area Assemblyman Stanford Callender — touched on the construction of the Claude Noel Highway.

He declared: "The people who are now going around the place claiming credit for the construction of the highway should be ashamed of themselves."

"I am sure Tobagonians would recall that these same people called on the citizens to lie in the path of the heavy quipment such as tractors, not to give up their lands and to do everything possible to ensure that the highway was not built."

"Now, today there are saying they were responsible for the highway."

Pointing out that the highway was built at a cost of \$114 million by the PNM Government, Mr. Ford added it was one of the most beautiful roads in the Caribbean.

Prediction for '86 Vote

Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 84 p 3

[Article by Clevon Raphael]

[Text]

THE NEXT general elections due in 1986 would be the last chance to change the present government democratically.

This was the view expressed by Mr. Karl Hudson-Phillips, Political Leader of the Organisation for National Reconstruction (ONR), according to Mr. Lennox Raphael, public relations officer of the ONR.

Mr. Raphael said Mr. Hudson-Phillips was addressing a special meeting of former ONR candidates and other party officials at ONR headquarters on Saturday. Mr. Hudson-Phillips, S.C., also made it clear

that if people thought the 1981 general elections was hard, 1986 would be a desperate nasty fight by the ruling the PNM.

He continued:

"Make no mistake about that. It will be a pitched battle by the desperate and the profane. Leadership can no longer afford to take the population for granted. It has to be relevant and of its time. Only when you capture the mind of the individual, on principle to principle, that the party endures beyond memory or man."

"The population of Trinidad and Tobago — anywhere — is a world class team. We have the talent, we have the people, and we have to create the paradise for these people to make this country what it should be."

"We have to lead the country to the waters of democracy," he said.

Meanwhile the ONR, in response to a statement made on Sunday by Prime Minister George Chambers at a PNM rally in Tobago about violence and fear being introduced into the THA elections campaign, reminded yester-

day about the violence directed towards it during the 1981 general elections.

"In fact, we were not only heckled and stoned and windcreens painted black, or shattered, tyres punctured, but the property of one of the ONR candidates was burnt on the morning of the elections."

"Bottles and stones rained on many an ONR meeting, scattering the audiences and placing the speakers in great physical jeopardy. Rotten eggs were transported to some ONR meetings by the crates."

"As far as we know, no member of the ruling party's 'heckler brigade' was ever arrested. There was that tacit approval of open season on the ONR and what it stood for, and no effort was spared in bending and confusing the minds of the population."

"It is glaring hypocrisy for anybody in the PNM to come at this time when the PNM is facing defeat in the THA elections to speak about violence... naked hypocrites they must be..."

MAHA SABHA HEAD DECRIES CONDESCENSION TOWARD HINDUS

Port-of-Spain SUNDAY GUARDIAN in English 18 Nov 84 p 15

[Letter to the Editor]

[Text] THE EDITOR: The Sanatan Dharma Maha Sabha is not in the least bit surprised by the last Sunday Guardian editorial.

The second sentence is indicative of the rampant ignorance about Hindus and their feelings and the general contempt in which Hindus are held by the so-called exemplars of the land.

"Justice," says the editorial, "must be able to withstand the scrutiny of ordinary men, including, presumably, Hindu pundits."

Now it's this tone of condescension which offends. (This is amply illustrated by the judgment itself as we shall explain later). The "Sunday Guardian" obviously does not mean that pundits are "extraordinary men," so that Hindu pundits are immediately classified in a category, presumably, below that of ordinary men.

Perhaps, the Hindus are anachronistic little things with crawl out from under the rock of republicanism from time to time until they are schooled back under.

The Maha Sabha is happy to have the judgment published in full. In fact, the Maha Sabha has already made arrangements to distribute some 300 copies of the judgment to concerned pundits who have expressed interest.

As the Maha Sabha has already stated, and we repeat the statement of the pundits' Parishad in full, and we emphasise, we have no quarrel with the court or its judicial findings. The Sanatan Dharma Maha Sabha accepts and abides by the decisions of the courts of this land.

What the Maha Sabha will not accept and will not tolerate is any subtle or overt act by anyone to declare codes of conduct as to how Hindus and/or Hinduism should or should not survive in this country. Whether it be SIDE BY SIDE, or ONE BEHIND THE OTHER.

For generations now we have maintained that Hindus are the least understood ingredient in our so-called pot-pourri of races and peoples. For the simple reason that no one has bothered to take the time to understand Hindus or Hinduism.

What is happening, and it is a source of concern to non-Hindus and also to the Hindus who sit on the fence, is that we are becoming articulate and saying things in public, which were once whispered in private. As is the case with this Mastana Bahar judgment.

What the Maha Sabha is clear about, is that this is a considered judgment of the highest court in the land of two eminent Appeal Court judges. This is not some extempore outburst in the heat of a hotly contested trial. This is the mature, considered opinion of two high priests of the legal hierarchy.

And what have these two learned gentlemen found? That the pundit objector was a liar. That his witnesses were also liars. And that their objections must fail.

Now be that as it may, what is of such paramount constitutional importance that we were treated to a half-baked religio-socio-community relationship treatise?

It must be the fact that the liars were Hindus. In the light of the furore caused, the Maha Sabha is wont to believe, and we say this meaning no disrespect to the court or anyone else, that had it been a liar of a different religious faith, the most that would have been said, was appeal disallowed, with the reason in law given, without the social commentary.

Why is it that only non-Christians must be lectured on how to behave in this land? the Maha Sabha finds this condescending attitude most objectionable. Particularly when we know that it is the Hindu family structure which has held this country together.

Although we concede that being a minority and servient part of the population, bombarded with a non-stop blitz of Afro-Caribbean culture and overwhelming electronic media propaganda of the glitter and tinsel of American and European lifestyle, the precious Hindu family unit is crumbling.

Misguided Judges

Of what little that remains, we can assure Justices Bernard and des Iles that most Hindu parents who still exercise some sort of control will not like to see their daughters on stage, wining their backsides off in public, be it to Sparrow or Kanchan.

And this is where we take issue with the judgment. Mastana Bahar is not Hindu culture. Neither does Kanchan represent the ultimate in the Hindu mystique of song and dance form.

The learned judges were misguided in their interpretation of this local show as an example of Hindu culture. Hindus take part in the show as individual entertainers. Some fine classical singing, dancing and the playing of musical instruments are portrayed. But by no stretch of any judicial imagination should a court of this land equate Mastana Bahar with Hindu culture.

Both Mastana and Kanchan represent bastardised versions of the original of which the Maha Sabha is aware that it cannot control or curb, but which we are attempting to balance by the introduction of, among other things, classical dance teachers from India, scholarships to India and, above all, the proliferation of temples all over the country. Even if the temples are sited next to restaurants and bars.

If added to the heavy Western bias on Indian culture that the Maha Sabha already faces, we must now contend with judicial sanction of the marriage of calypso to Marajin, then so be it.

But we protest to the marriage! Not because a Hindu is a non-vegetarian and listens to calypso in his home must he condone the cooking of beef or the blatant sexuality of banal calypsoes within the precincts of his temple.

If in the reasoning of the judicial mind, the pundit and his committee were wrong to build the temple, why this harsh condemnation of fanaticism and hypocrisy?

We again repeat, why this now frightening insistence on the marriage of calypso and Afro-Caribbean culture to Hindu culture? We object and will continue to object!

We insist on the purity of the Indian art form and Hinduism and we are fanatical about this.

SAT MAHARAJ, Secretary General, Sanatan Dharma Maha Sabha

CSO: 3298/186

RIVAL UNIONS JOIN IN PROTEST OF EMPLOYER ATTITUDES

Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 84 p 3

[Text]

THE COUNCIL of Progressive Trade Union (CPTU) will be joining rivals from the Trinidad and Tobago Labour Congress in tomorrow's massive picket demonstration of Parliament.

The two organisations are getting together, it is claimed to show their dissatisfaction with the attitude of employers.

Congress officials revealed plans for the demonstration on Tuesday after an unsuccessful round of talks with Board members of the Trinidad Hilton over a dispute between the hotel and the Communication Workers Union (CWU).

The Congress is also dissatisfied over the progress of negotiations between Government Chief Personnel Officer Hilton Cupid and the Joint Negotiating Team (JNT).

The picket is just one part of protest action planned by the organisation. A number of trade unions affiliated to Congress have urged their members to come out in full force for the peaceful protest march.

The Secretariat of CWU has issued a call to its general membership to join the picket

in solidarity with the 32 dismissed workers of the Trinidad Hilton. Members from the Telco branch, who are involved in labour unrest, are specially invited to take part.

The Joint Negotiating Team (JNT) which represents more than 65,000 public sector employees, has asked members to join the demonstration and "be part of this historic event to beat back both wage-freeze and the retrenchment."

General Secretary of the Labour Congress, Mr. Carl Tull, who is coordinating the protest march, said all units from the organisation were expected to take part.

Members of the South Division of the National Union of Government and Federated Workers, (NUGE) plan to join the demonstration out-

side Parliament tomorrow afternoon.

Mr. Narine Dookie, secretary of the Division, said the division would provide free transportation for all southern members who should assemble at the Public Transport Corporation terminus at King's Wharf from 9.30 a.m. tomorrow.

INTIMIDATION

Meanwhile, the President of the Trinidad and Tobago Unified Teachers' Association (TTUTA), Mr. Anthony Garcia, has charged that attempts have been made to intimidate teachers who want to take part in tomorrow's picket of Parliament.

He said the intimidation was coming from the Ministry of Education but he reminded his members of their civic right to demonstrate publicly against their employer.

He has urged teachers to disregard these intimidatory moves and take part in the protest march in full force.

The picket starts at 1 p.m.

DEVALUATION SEEN AS POSSIBLE RESULT OF UNION DEMANDS

Port-of-Spain TRINIDAD GUARDIAN in English 17 Nov 84 pp 1, 3

[Text]

A WARNING that union demands can lead to devaluation of the Trinidad and Tobago dollar is given by the Merchant Bank of Trinidad and Tobago.

In its November Monthly Economic Bulletin the Bank describes the link of the Trinidad and Tobago dollar with the US dollar as "tenuous." The link could snap easily given certain developments.

One such development would have been the keeping of imports at 1983 levels. But this was identified and controlled in time, the Bank declares.

A continued fall in the price of oil could impose serious strains on Government's ability to maintain recurrent expenditure, the Bank states, and this could lead to inflationary Government borrowing from the Central Bank.

The Bank warns that wage demands by trade unions could have the same impact as falling oil revenues. It says:

"An equally serious and present development is the stated objective of unions to negotiate wage increases which secure present living standards, regardless of productivity levels.

"Such success would have a similar impact as falling oil revenues, in that it would increase Government's recurrent expenditure disproportionately to revenues.

"This," the Bank adds, "could lead to inflationary borrowing from the

Central Bank, and result in ineluctable devaluation of the dollar. The consequence would be further inflation and a general decline in living standards."

In its monthly bulletin, the Bank notes that the Trinidad and Tobago dollar, tied to the U.S. dollar in 1976, appreciated by 40 per cent against the major trading currencies since 1981.

Pointing out that the exchange rate for the US dollar has strengthened against other currencies partly because of lower inflation, the Bank cites higher productivity from the greater use of technology as another factor in strengthening a currency. In recent times, currency values are also influenced by capital movements due to high interest rates and what is described as the "safety haven" factor.

Turning to Trinidad and Tobago, the Bank says inflation is hardly likely to fall with the gradual removal of a range of subsidies. With increasing unemployment and underemployment due to social reluctance to retrench, productivity was likely to fall further.

Recent court cases and rumours about currency export, together with the US dollar black market rate, indicate that Trinidad and Tobago is "at the wrong end of the 'safety haven' factor flow."

The Merchant Bank is owned by the Government of Trinidad and Tobago.

CSO: 3298/187

NATIONAL DEBT AT ALL-TIME HIGH AS REVENUE IS EXCEEDED

Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 84 p 1

[Article by George Harvey]

[Text]

SPENDING by government outstripped revenue collected for the first nine months of this year by \$1,425.7 million as the national debt climbed to an all-time high of \$3,063.9 million.

This is revealed in the third Quarterly Economic Bulletin (1984) of the Central Bank of Trinidad and Tobago. The cash flow deficit for January-September was chalked up with government expenditure totalling \$6,360.3 million and revenue amounting to \$4,934.6 million.

The publication highlighted the on-going downturn in the economy with the few bright sparks being:

- A modest improvement in crude oil production;
- Increased production of fertilizer and cement;
- Positive signs of adjustments in the external and government sectors;
- A lower rate of inflation (13.3 per cent) in comparison with 17.1 per cent for the same nine-month period last year;
- A trade surplus of \$137.7 million in the first half of 1984 compared with a deficit of \$599 million for January-June 1983.

The bulletin noted that the \$1.4 billion cash flow deficit was "lower than the \$1,877.6 million posted for the corresponding period in 1983.

BELOW PROJECTIONS

"This has occurred in spite of lower revenues in 1984 and reflects mainly the slowdown in government capital expenditure."

Capital expenditure declined by 34 per cent to \$1,116 million and overall spending was reduced by 13 per cent. The bulletin pointed out that the third quarter deficit of \$314.3 million was financed through:

- Net external loans of \$186.9 mil-

lion;

- A drawdown of \$121.3 million in government's cash holdings at the Central Bank;

- Net local loans of \$6.1 million.

Both non-oil and oil receipts were lower "than year-earlier levels. Although non-oil receipts showed signs of improving during the second quarter, as measures introduced in the 1984 Budget began to take effect, they were again below budget projections for the third quarter.

"The lower non-oil revenues were influenced by the decline in dutiable imports and the fall in motor vehicle taxes, purchase taxes and excise duties." Revenue for the comparable nine-month period was \$5,397.4 million for 1983.

Overseas borrowing during the nine months amounted to \$412.8 million of which nearly \$200 million was drawn in July-September.

The \$199.1 million third quarter external advances comprised a \$96.5 million syndicated bank loan raised on the Japanese market and a final drawdown of \$102.6 million on a bond issue raised in the United Kingdom.

DOMESTIC DEBTS

Government's domestic debt also increased by \$6.1 million through the issue of national tax-free savings bonds. Some 64.8 per cent (or \$1,984.1 million) of the \$3,000 million national debt was held externally.

In an overview and outlook the Central Bank bulletin noted:

- For the first time since 1978, the index of Domestic Production (excluding oil and sugar) was lower in the second quarter of the year than the first, reflecting sluggish activity in other sectors.

- Contraction in government operations resulted in a lower rate of growth of the bank deposits.

The Bulletin stated that continued recovery in crude oil production and faster growth in the fertiliser (exports up 33 per cent) and cement industries "provide the few positive signs in a period otherwise marked by overall contraction of domestic production.

"Earlier symptoms of weakness in the domestic economy were aggravated during the quarter as production continued to decline and falling sales resulted in a build-up of stocks."

On the money side, the publication stated "there are no immediate signs of any significant ease in the relatively tight liquidity situation in the banking system."

CSO: 3298/187

UNRESOLVED TEXACO, ISCOTT DEALS DELAY BUDGET PRESENTATION

Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 84 p 1

[Article by Kit Roxburgh]

[Text] CABINET sources said yesterday that Texaco Trinidad Inc. is bent on holding this country's Government over a barrel concerning the giant oil take-over issue.

Prime Minister George Chambers announced last Independence Anniversary Day that the country had successfully opened the way towards acquiring all, except the marine assets of the multi-national group (one of the world's biggest petroleum firms) for \$432 million (TT). But problems in finalising the transaction have apparently arisen.

It is believed that Government's 1985 Budget, meant to be delivered by Mr Chambers within the first two weeks of next month, will be delayed by the Texaco impasse and the inability of Government as yet to rope in a foreign firm with the finance and expertise for venturing into the country's money-eating enterprise, the Iron and Steel Company of Trinidad and Tobago (ISCOTT).

Tax Calculations

Texaco is insisting that ten or so items are essential to agreement on the takeover.

Government negotiators, a team led mainly by Mr Doddridge Alleyne of this country's Ministry of External Affairs, are saying that Texaco is niggling over petty details in an attempt to get as much from the deal as possible.

Main issue is tax calculations based on every barrel the Pointe-a-Pierre plant has refined over the years.

Agreement has been reached over the 1980 and 1981 tax arrangements. But both teams are haggling over the '82 and '83 figures, a matter entailing many million dollars. Payments of taxes for these two years have not been fully settled.

One section of Cabinet believes that Texaco is not negotiating in good faith and that the answer to most of the questions is simply telling Texaco... "Okay, leave the refinery and go. But don't forget that you have over 4,000 workers who have to be adequately compensated."

But how can Trinidad operate the refinery successfully if a company as giant as Texaco quits with a grudge and apparently the marketing skills necessary in these fierce cut and thrust days in the oil market?

It is strongly held by some Government sources involved in the potential take-over, that Texaco can run well on 100,000 barrels a-day as against the 300,000 barrels refined in the refinery's halycon days, the latter half of the 1970's.

Only yesterday one key Government figure in the issue said that the Texaco marketing team based in Trinidad are mere puppets.

He declared that their strings are being pulled by the American-based company sources and they do not know about Trinidad's oil on a competitive footing. They don't care either.

It is felt that Trintoc, the oil company acquired a decade ago after another multi-national (Shell) wanted to quit the local scene in the same manner as Texaco Trinidad Inc. now has the local talent necessary for meeting the international scenario.

Trintoc has been running at a profit for years, despite heavy international competition and a refinery that has been regarded as obsolete.

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VISITING UK TRADE TEAM EYES AUTO PARTS JOINT VENTURE

Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 84 p 15

[Text]

AN 18-MEMBER British trade team is visiting Trinidad to cement trade with the motor accessories industry with an aim to possible joint ventures.

Led by Mr. Hugh Jenkins, senior executive, External Trade Department, of the Society of Motor Manufacturers and Traders Mission to the Caribbean, the mission met with the president of the Trinidad and Tobago Chamber of Commerce yesterday morning and was hosted at a reception last night at the home of John Greenfield first Secretary, (Commercial) at the British High Commission.

SMMT paid a visit to this country last year which proved so fruitful that they have returned to the Caribbean with special emphasis on the Trinidad and Tobago market.

BRITISH CARS

"We have a large population of British cars in Trinidad," Mr. Jenkins admitted. "They are only being replaced by Japanese cars, of course. But it's a good market for accessories ... a very good market."

While this country is a boon for motor car, spare parts, and accessories industries, it is an investor's headache with labour cost. Of this, the mission is fully aware.

"We were assured by the Chamber that they were well aware of the high cost," Jenkins indicated. "But they also assured us that the trade unions are also now becoming fully conscious of that cost."

The mission's visit comes at a time when Government, through the Industrial Development Corporation, (IDC) is actively pursuing a policy of joint ventures in the industries.

Mr. Richardson Andrews, general manager of the IDC, has already said that the foreign investor "is needed as he has more direct access to tech-

nology, international markets, to licence and patents as well as access to expertise and experience from which we can benefit."

ENCOURAGE

Hence the IDC has embarked on a programme to encourage such ventures through concessions, provision of infrastructure (including land and factory accommodation), technical and managerial assistance, as well as financial support.

Still one area in which foreign investors will have to contend is the export thrust.

Mr. Jenkins is aware of Government's position but maintained that many of the participants already have agents here.

The mission will concentrate more on the market for component parts and not simply for U.K. manufactured cars. One day, Mr. Jenkins said, the U.K. will be able to supply Japanese parts. For now, accessories are their chief concern.

ST MAARTEN SEEKS TO INITIATE JOINT VENTURE PROJECTS

Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 84 p 4

[Article by Gail Alexander]

[Text]

IN A BID to strengthen ties with this country, the Dutch island of St. Maarten has expressed willingness to undertake joint venture projects with Trinidad and Tobago.

This was disclosed by the head of the St Maarten Government, Senator Dr. A.C. Wathey, Chief Minister, a veteran politician who has retained power in the island for the past 33 years.

Dr. Wathey was speaking to members of the Trinidad and Tobago media and government officials who visited St. Maarten last week on a familiarisation tour.

The Chief Minister indicated that there are no restrictions in his country where foreign investment is concerned, adding that most of the island's goods are imported.

Because of this, he stated, quite a trade can be developed between his country and Trinidad and Tobago. He explained that oil and food products are two viable areas, in which trade between both countries would be welcomed.

Dr. Wathey, added establishing such a link would be made difficult because of the absence of a shipping connection.

To counteract this problem, he indicated that his government is interested in opening up a route for the Shipping Corporation of Trinidad

and Tobago (SCOTT), a venture, he said which would receive the full support of the St. Maarten Legislature.

Talks to this effect are being conducted. SCOTT chairman Mr. John Hunt, who also made the trip, stated that the company is also interested in establishing a regular service to that island.

Mr. Hunt said that in view of the fact that St. Maarten's needs could be met by local manufacturers, the beginning of a SCOTT service would be a timely one.

Both sides will be working towards that interest with a view to starting the service by early 1985, he added.

Regarding the newly inaugurated BWIA service, Dr. Wathey expressed optimism that flights would help improve the tourist trade between both islands.

To further facilitate this, he explained that special arrangements would be made with St

Maarten banks which would make it possible for Trinidad and Tobago nationals to change their local currency for Dutch guilders, the official currency of the island.

Senator Wathey also indicated that he is not averse to a "piggy-backing" of the economy, which would encourage tourism to St. Maarten.

This could come, he added through BWIA routes from Europe into St. Maarten and on to Trinidad and Tobago and vice versa.

At present Dr. Wathey, stated, St. Maarten has on an average of 1,000 tourists per day, coming from the Eastern Seaboard of the United States.

"At some time," he added, "there are more tourists than natives on St. Maarten, but we are well equipped to deal with any extra influx — however heavy — coming from Trinidad and Tobago."

BRIEFS

SUBSIDY FOR CANE FARMERS--SAN FERNANDO--GOVERNMENT will subsidise the payment to cane farmers to the tune of \$30 million for 1984, officials of the Trinidad Island Wide Cane Farmers Association (TICFA) stated yesterday. Mr. Seepersad Arjunesingh, president, said that he had members of TICFA's executive committee meet Mr. Kamaluddin Mohammed, Minister of Agriculture Lands and Food Production, to discuss "Speedy payment" for canes supplied during this year's crop. The minister announced that farmers would receive \$102.62 for canes delivered outside the purchasing point and \$104.62 for canes delivered at the factory gate. The TICFA president explained that, according to the Seemungal Cane Price Formula, cane farmers would only have been entitled to \$60.49 per ton. Having sold 209,000 tons of canes to Caroni Limited, it meant that in order to maintain the price paid to cane farmers in 1983, the government had to find an additional \$30 million. He said that cane farmers were grateful to the government for the payment. Members of the executive committee who accompanied Mr. Arjunesingh to the meeting with Mr. Mohammed yesterday were Mr. Winston Mohammed, Mr. Alton Farrell, Mr. Lallan Rajaram, and Mr. Jaisaree Singh. Mr. Arjunesingh explained another arrangement to be made with Caroni Limited to pay farmers as soon as possible. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 84 p 16]

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PLANS TO INCREASE PRODUCTION IN ORINOCO OIL BELT REPORTED

Caracas EL NACIONAL in Spanish 10 Oct 84 p D-8

[Text] Venezuela has 1.2 trillion barrels of heavy crudes in the Orinoco Oil Belt, of which 92.5 billion barrels can be recovered by primary methods; by following up with secondary extraction methods, this figure can be increased to 250 billion barrels.

Dr Luis Giusti, Orinoco Oil Belt coordinator, disclosed these figures during the presentation of the first paper--titled "Heavy Crude Development Strategies in Venezuela"--at the 53rd Meeting of ARPEL [Latin American Petroleum Industry Mutual Aid Association] Experts, adding that because of this, heavy crudes represent for the country, particularly in the long term, an economic factor of the first order of importance.

Among other figures cited by Giusti were the magnitudes of proven oil reserves in traditional areas, amounting to 9.1 billion barrels of light and medium crudes, and 15.5 billion barrels of heavy crudes with a specific gravity of less than 21.9° API.

These figures, presented by the PDVSA [Venezuelan Petroleum, Inc] representative before the Meeting of ARPEL Experts, and which add up to a total of 25 billion barrels of proven reserves located in traditional areas, also indicate that more than half of them are heavy crudes.

In the same traditional areas, Venezuela has semi-proven reserves of some 47 million barrels, with a similar predominance of heavy and extra-heavy crudes.

The Oil Belt

This portion of the national territory, with an area of 54,000 square kilometers, is a nontraditional area in which exploration and evaluation operations have been carried out over the past 5 years, yielding estimates of 92.5 billion barrels of crudes that are recoverable using the "alternate-steam injection" method, and of up to 250 billion barrels of recoverable crudes using secondary extraction methods.

To achieve these goals, Giusti indicated, the national oil industry is dedicating special efforts to the improvement of recovery techniques. Five methods are currently being studied and tested, among which the INTEVEP [Institute of Venezuelan Petroleum Technology] HDH technique stands out as "the right road."

To this area of technological research, and as part of Venezuela's strategy for the development of heavy crudes, must be added the refineries improvement program, which, at a cost of approximately \$4 billion, converted the Amuay, Cardon and El Palito refineries into plants with an approximate 40-percent heavy-crude processing capacity, whereas, before, this capacity was only 11 percent.

These changes in refining patterns, said Giusti, have not entailed sacrifices from the standpoint of yields. Whereas before, the processing pattern was 20 percent naphtha, 20 percent distillates and 60 percent residuals, these figures have now been improved to 35 percent naphtha, 24 percent distillates and 42 percent residuals.

In conclusion, the PDVSA coordinator indicated that the long-term objective is to produce 1 million barrels daily in the Orinoco Oil Belt by the year 2000. Today, production consists of some 120,000 barrels daily, consisting of 40,000 barrels under the Guanipa project, 60,000 barrels from MENEVEN's traditional areas--located at the northern edges of the Belt--and 14,000 barrels from the CORPOVEN field in the same zone.

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PDVSA TO INVEST 14 BILLION BOLIVARS IN 1985

Caracas EL NACIONAL in Spanish 12 Oct 84 p D-1

[Article by Amado Fuguet V.]

[Text] Next year's investments by the oil industry will total 14.690 billion bolivars, up 2.356 billion bolivars over investments during the current year. This rise is owing less to a planned increase in investments than to the proposed implementation of plans that were sidetracked this year.

This information is contained in the substantiating particulars accompanying the 1985 budget, which analyze the oil situation forecast for the coming year, taking into consideration the behavior of the sector in 1984.

The OCEPRE [Central Office of Budgets] projections are based on the official information submitted by PDVSA [Venezuelan Petroleum, Inc] and the Ministry of Energy and Mines.

The petroleum industry's 1985 export revenues are expected to total 88.334 billion bolivars and its domestic revenues 10.943 billion. The government's share will total 62.936 billion and industry's 13.247 billion bolivars.

According to official estimates, PDVSA's cash reserves at the close of 1985 will amount to 16.380 billion bolivars. The OCEPRE document points out that "This figure exceeds by 8.443 billion bolivars the total at the end of fiscal year 1983, and indicates clearly the intent of the National Executive to enhance the solidity and financial solvency of the Venezuelan oil industry."

Revenue Sources

According to the substantiating particulars, 1985 oil revenues were estimated on the basis of: The evolution of the world oil market over the past several years and its short-term outlook; the changes that have taken place in consumption and in the prices of hydrocarbons to be sold on the domestic market; and the elimination of the operations tax rebate granted to oil companies for volumes allocated to the domestic market.

Exports are expected to average 1.502 million barrels daily, and domestic sales 338,000 barrels daily.

According to OCEPRE, "Exports were calculated on the basis of quantities placed during 1984, which in turn were made possible by a drop in domestic consumption of liquid hydrocarbons owing to increased use of natural gas and hydroelectric power; in the case of gasoline, by the increased use of fuel-efficient vehicles in the national automotive vehicle fleet; and by the rise in prices of such products as of March 1984."

The average export price for 1985 is projected at \$27.04 per barrel, up \$0.30 per barrel over the projected average price for 1984.

The oil industry's projected costs, expenses and other deductions will total some 40.578 billion bolivars. Of this total, 23.062 billion bolivars represent operating costs, and the rest will go for oil royalties and PVDSA contributions. The operating cost figure represents an increase of 16.9 percent, owing for the most part to the impact of the change in the oil dollar exchange rate in the import component of that figure and to the inflation rate applicable to this type of expenses.

The OCEPRE points out that the tax liability incurred, on industry earnings, will amount to 62.936 billion bolivars, up 1.132 billion over the projection for 1984. Tax receipts, for their part, are estimated at 63.014 billion bolivars, of which 6.312 billion correspond to 1984 activities.

Market Behavior

The OCEPRE recalls that in 1983 an economic recovery began in the principal developed countries and the economic growth rate rose from a negative one of -0.5 percent in 1982 to a positive one of +2.4 percent in 1983. That rate is expected to rise to 4.25 percent in 1984 and to drop to a level of 2.75 percent in 1985. As a result, the world oil demand will attain 45.5 million barrels a day in 1984 and 45.7 million barrels a day in 1985, according to available estimates.

"By way of example, it is worth pointing out that oil consumption in the United States and Japan during the first quarter of 1984 exceeded by 6 percent and 8 percent, respectively, the consumption during the same period of 1983."

The substantiating particulars of the budget indicate that "As for the world supply outlook, it must be borne in mind that OPEC, at the highest levels of its member countries' governments, has publicly announced its intent to carry out the agreed production program. Significant also is the fact that the producing and exporting countries that are not members of OPEC have indicated, particularly during the past several months, that they are prepared to contribute to control of the supply, for the purpose of bolstering the market and stabilizing prices."

The OCEPRE comments that, on the other hand, by the end of the current year world oil inventories will have dropped to the equivalent of a 90-day consumption level, a normal level in the principal industrialized countries. "This fact leads us to conclude that significant drains are not likely to occur during 1985."

Based on this, it is estimated that the market for OPEC oil could rise by some 700,000 barrels a day in 1985, which could entail a rise in the production quotas assigned to each member country.

"However, in view of the uncertainty that still exists in the short-term demand projection, prudence counsels estimating export oil revenues on the basis of production and export volumes similar to those of the current year."

With reference to prices, the OCEPRE indicates that, following OPEC's March 1983 cutback agreement, a trend toward stabilization of the spot market was observed.

"In fact," it says, "the temporary upsets induced by the glut have been expeditiously overcome, thanks to the actions on the part of OPEC and the non-OPEC countries. It is worth noting in this regard that the spot market selling price of Arabic Light Crude, even though it was almost constantly below the official price of \$29 per barrel, is currently only \$0.25 below the posted price as of the beginning of April 1983."

According to the official analysis, more important still is the fact that the price of Arabic Heavy has almost constantly been higher than the official price of \$26 per barrel.

The document points out that this strengthening of the heavy crudes market is particularly advantageous to Venezuela, since our exports are essentially this type of crude.

"In fact, Venezuela has succeeded in significantly raising the price of its crudes below a gravity of 20° API," the OCEPRE states, adding that "There is no reason to believe that this strengthening will undergo a relapse in 1985."

"On the contrary, if it is assumed that the market will tend to improve during the coming year and that there will be a continuing demand for Venezuelan oil, for processing in deep-conversion refineries and for use in the manufacture of naphthenic lubricants and high-quality asphalts, it is reasonable to conclude that the prices of our crudes will show a slight rise in 1985."

In conclusion, the OCEPRE notes that it is hoped that the proportion of high-grade light products such as naphthas, gasolines and diesel fuels exported by Venezuela will increase to 50.5 percent in 1985.

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